Are Utility Stocks a Buy? (Pages 17-29)

THE FINANCIAL POST

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The Nation's Business

- Extent of Our Railway Problem
- New High in Losses
- Price of Magazines
- Time to Reveal Wheat Truths
- What Wheat Bonus May Cost West

C. N. R. Deficits What They Total

RECENTLY, in a much publicized address, an official of the Canadian National Railways spoke of "the misconception of enormous annual losses" on the system. He said:

> "People desiring to give public ownership a black eye . . . quote distorted figures hardly ever less than $100 millions a year."

This week the Canadian National Railways annual report for 1935 came down. It showed an increase of $8,282,000 in gross operating revenue. The amount of cash paid over by the government directly to the railway to finance deficits was $47,400,000, a decrease of $1 million from 1934. This was the immediate cash burden on the taxpayers. This is the most quoted figure of the deficit of the C.N.R. But the annual report revealed the actual profit and loss deficit as $115,281,690. This is not a "distorted figure" but the actual deficit shown by the company's own report. It was the highest deficit ever shown in the history of the C.N.R. as the following comparative figures make very clear:

	Net profit and loss deficit
Before Consolidation:	
1919	$ 55,300,000
1920	80,500,000
1921	69,900,000
1922	57,900,000
Thornton Régime:	
1923	51,700,000
1924	54,900,000
1925	41,700,000
1926	29,700,000
1927	36,700,000
1928	33,400,000
1929	46,200,000
1930	74,200,000
1931	99,300,000
1932	101,300,000
Interregnum:	
1933	97,700,000
Trustee Régime:	
1934	89,700,000
1935	115,300,000
Total	$1,113,540,000

* * *

THE difference between the cash deficit paid over directly to the C.N.R. by the federal government and the profit and loss deficit is made up of a number of items of which two are most important.

The first item, $36 millions, represents interest on cash loans made in previous years by the federal treasury to the C.N.R.. Some loans were to meet deficits; some were for capital investment. No interest is charged on $400 millions of taxpayers' investment in the old Canadian government railways, now part of the C.N.R.

This item of interest on government advances is the one about which most Socialists rave when it is charged against the C.N.R.. They want it to be overlooked. They point out that if the C.N.R. were a private company it would go through the bankruptcy courts and get rid of this item, which it does not pay in cash anyway. That is quite true. If the C.N.R. were recapitalized some of its interest charges would be written down. This would relieve the C.N.R. of a bookkeeping expense it does not pay in cash anyway, but it would not relieve the taxpayer of a cent of the cost.

It may be unfair from the standpoint of the management of the C.N.R. to point out that not only did the railway fail by $49 millions to earn interest on its bonds in the hands of the public, but it failed to earn a dollar (much less $36 millions) on the investment of the people of Canada in the railway. But it helps the taxpayer to see how he is affected.

* * *

THE other major item in the deficit is $29 millions representing the loss on retirement of road and equipment. What does this mean? Namely that the road and the rolling stock are wearing out and becoming obsolete. As lines are abandoned, as engines and cars are scrapped to make way for the purchase of modern equipment, the railway has to take a serious loss. This is not a condition unique with the Canadian National. Practically every railway on the continent is today overvalued in the light of what invention and science have done to improve transportation methods. The losses will have to be taken by all and huge sums invested in modernization programmes.

There was improvement in the position of the C.N.R. last year, but much less than the public expected from the management of the Trustee Board. With all due recognition of the calibre and competency of men in the operating departments of the C.N.R. it must still be recognized that the railway problem is still with us—a large problem, an unsolved problem and a menacing one to our national financial security.

* * *

Giving It Back To the Public

ABOLITION of the tax on the advertising pages of imported American magazines will cost the Dominion treasury a considerable sum. In the year to March 31, 1935, the revenue was $462,000, representing the duty on 11 million periodicals. In addition, there was a large addition to postage and other governmental revenues from the large quantity of magazines printed in

(Continued on page 2, col. 3)

Surprise Audits Are Now Extended All Over Ontario

Investment Dealers, Brokers, Security Issuers Must Make Disclosure

GODFREY ACTS

The Ontario Securities Commission has completed organization for making surprise audits of every broker, investment dealer and securities issuer in the province. Its investigators have the right to make two surprise audits of any firm in these three categories in any year and whenever it is thought advisable the right will be exercised.

More important still, all these firms except members of the Toronto Stock Exchange must send in to the department every year when making application for renewal of registration a completely standardized statement of assets and liabilities. This has been required of nonbrokers in the past but not of investment dealers but each firm has been allowed to send in a statement made out according to its own ideas.

Complete Disclosure Required

The new forms require brokers, investment dealers and security issuers to make complete disclosure of every item pertinent to an understanding of a company's affairs and its methods of dealing with the accounts and assets of its clients. Any attempt to live off the public without rendering an equivalent service will be more easily discovered by the comprehensive organization now being developed. Stanley Thomson, a department investigator, has been placed in charge of this work and already much clean-up work has been done.

J. T. Godfrey, K.C., Ontario Securities Commissioner, has aimed from the time he took office, October 2, 1934, at securing complete coverage of this kind. He found powers under the Act adequate. Only two orders-in-council have been passed to complete those powers. One of these gave power to increase administration fees on the financial community to be regulated. The other permitted him to prohibit "boiler rooms," that is, high pressure organizations to sell securities by telephone, telegraph, mail and personal solicitation by exciting false hopes. This was accomplished by the help of under-cover men. He forbade house-to-house solicitation in the sale of stock or the use of the telephone for the same purpose. Having routed the representatives of the under world finance he turned his attention to getting full information on the business of the upper world of finance. He found the Toronto Stock Exchange already placing a very effective supervision of the accounts of its members and he liked its system of two surprise audits of members during the year.

Includes Everybody

"I made up my mind," said Mr. Godfrey to The Financial Post, when questioned regarding recent changes, "that the non-member broker should be subject to the same audit as the broker who is a member of the Stock Exchange. In fact, I decided it was much more necessary for the protection of the investor because the Stock Exchange members are financially strong. They must be. The seat on the Exchange alone is worth $50,000 and each member is required to have $25,000 in liquid assets as well. In addition, he must have five per cent above his clients' equities in all margin transactions.

"We decided to establish a surprise audit on non-member brokers and also on all security issuers. It took some time to get an efficient organization together. I adopted the same policy as the stock exchange. I gave the brokers the option of paying a Commission auditor $10 a day or of filing a financial statement as required under the law but it must be certified by a chartered accountant.

"The most effective auditors used by the Commission have been generally young men, who had

(Continued on page 2, col. 1)

Mexican Edict Hits Companies

Confederation Life Association and British America Assurance Co. are the only two Canadian insurance companies to be affected by the new drastic regulations which have resulted in the withdrawal of every foreign insurance concern from Mexico during the past week. Sun Life of Canada third Canadian company formerly active in Mexico withdrew from this field last year.

After weeks of negotiations, no less than 45 foreign insurers withdrew because the new statutes which became effective March 15, called for such large increases in investments in Mexican securities and changes in management setup as to make it useless for foreign companies to continue in business there.

Ham. Bridge Doubles Sales

Further Improvement in Operations Expected This Year

WESTERN BUSINESS UP

Deficit of Hamilton Bridge Co. in 1935 was considerably lower than in 1934, The Financial Post is informed.

With sales in 1935 more than double the 1934 figures, a material improvement in the company's operations will be shown by the annual report, which will be mailed to shareholders in the course of a few days. Deficit in 1934 totalled $174,252.

For 1936, prospects are better than last year, W. B. Champ, president and managing director, informs The Financial Post. Sales during the first three months have been well maintained and prospects for increased sales are excellent. Enquiries from prospective buyers have been far more numerous than for several years.

Industrial Enquiries

Improved demand is expected in 1936 from industrial concerns. A number have new factories or additions under consideration. There is also the possibility that a number of steel highway bridges will be erected.

Considerable improvement in the operations of the Vancouver subsidiary, Western Bridge Co., is also expected The company has a contract for a portion of the New Westminster bridge and several others are in the offing.

Week's Figures Gain Over 1935

Foreign trade, financial factors and electric power output advanced last month compared with corresponding figures in 1935 though most items were smaller than for the previous month.

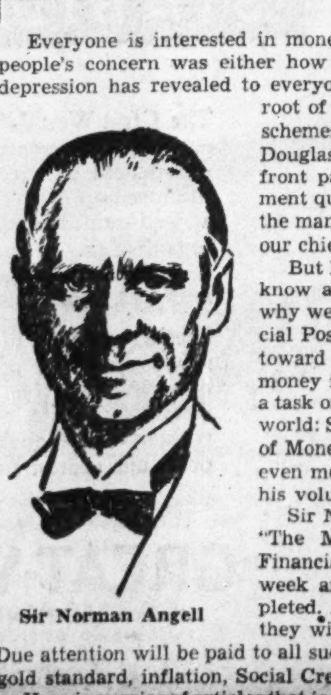
Key figures available during the week follow:

		—Change—	
		From prev. period	From prev. year
Monthly:	Feb.	%	%
Imports	$41,597,398	+ 2	+ 12
Exports	60,198,198	+ 10	+ 26
Insurance sales	30,474,000	— 10	+ 6
Bank debits*	2,767,449	— 7	+ 32
Elec. pr. output*	1,937,550	— 7	+ 7
Weekly:			
Cattle sales, No.	14,283	+ 42	+ 15
Hog sales, No.	17,946	+ 15	— 9
Car loadings, No.	43,823	— 3	+ 1

*000's omitted.

The Post Plans ......

Everyone is interested in money. Once there was a time when most people's concern was either how to get it or how to save it. But the depression has revealed to everyone that "unstable" money may be the root of much economic evil. So new monetary schemes meet us at every turn. Keynes, Douglas, Aberhart and Soddy have become front page news. Nothing will start an argument quicker than to talk about silver, or gold, the managed dollar or the sterling bloc. Debt is our chief problem and credit has gone "social."



Sir Norman Angell

But how much does the average man really know about the nature of money: what it is, why we have it, and how it works? The Financial Post has sought out a man, free from bias toward any money school, to write about money in simple everyday language. For such a task one man stands pre-eminent in the whole world: Sir Norman Angell, author of "The Story of Money," creator of "The Money Game," and even more famous as a Nobel prize winner for his volume, "The Great Illusion."

Sir Norman has written thirteen articles on "The Money Mystery" exclusively for The Financial Post. First one will appear next week and the series will continue until completed. Accurate, interesting and easy to read, they will answer your questions about money. Due attention will be paid to all such essential phases of the subject as the gold standard, inflation, Social Credit, etc.

Here is a series of articles that is going to be really worth while.

Break With Douglas Is Now Final

Aberhart Caucus Declares All Negotiations Are Off

STILL WANT ADVICE

From Our Own Correspondent

EDMONTON. — All relations between the Aberhart government and Major C. H. Douglas were broken off by the decision of caucus Monday, that his cable amounted to an ultimatum and forced the government reluctantly to declare further negotiations to be impossible. Premier Aberhart cabled the London economist to this effect.

Members of caucus said Douglas had lost the confidence of the people who had expected him to seize the opportunity to put his theories to the proof.

Premier Aberhart declared: "The three expert advisers from Alberta suggested by the major are only half-hearted social crediters if not antagonists to its principle. His offer to serve the government free to which he refers meant simply for $100 a day according to his contract.

"The question of expert advice is one we have not had time yet to consider," the premier said. "The government is determined, however, to get the very best expert advice it can and will proceed with the greatest possible expedition to the introduction of social credit."

New Pulp Mill Is Nfld. Rumor

International Power Reported Behind Development of Gander Area

It has been reported that International Power & Paper Co. of Newfoundland are interested in construction of a pulp mill in the Gander areas of Newfoundland. Hon. T. Lodge, of the commission of government, and the Newfoundland government director on the board of International Power & Paper (Nfld.), sailed for England last week with the purpose, it is rumored, of approaching Alan Butler, with whom chief interest in the property is now vested.

Color is given the rumor of mill construction by a statement of Commissioner W. R. Howley that plans are under way for an undertaking which would employ 5,000 men this year.

The Gander areas comprise about 5,000 square miles of timberlands granted to the Reid Newfoundland Co. in 1898 as payment for construction and operation of the cross-country railway. The territory was logged for sawn timber up to 1908, but since has remained practically untouched. It is regarded as perhaps the most valuable piece of pulpwood growth in the country.

Adventurers Find Way To Make Easy Money

By JOHNSTON GILROY

A highly profitable, but low-grade, adventure into forgotten bonds comes to public notice through the first annual report of the Governors of "The Company of Adventurers Trading in Forgotten Bonds," of Montreal.

The company consists of 63 Adventurers, all of the Montreal bond and investment fraternity. Each hazarded a $10 "investment," and the newly issued report reveals that the equity per very ordinary $10 share had grown between Feb. 15, 1935 and Feb. 15, 1936, to $24.22.

The profits, however, like the "investments" are still in paper.

Nothing But the Worst

The investment principle followed by the company was to "invest" the capital in artistically engraved bond certificates selling at or below 5 per cent of face value. It was decided further that choice of securities would be made without consulting any investment counsel, thus flinging almost an insult at economists, statisticians, et al.

To ensure that mental effort could be avoided by disregarding new investment influences, it was decided that the entire portfolio would be retained until Jan. 2, 1937. Any remaining assets, if saleable, are to be liquidated and divided pro rata among the surviving Adventurers Feb. 15, 1937.

Fortunately, the invitation or prospectus, apparently escaped the scrutiny of securities commissions.

Results of Diversification

All-important diversification was effected by buying $13,000—"par value"—of bonds, each of the 13 being entirely different except as to lowness. The results:

$1,000 of each:	Cost 1935	Value Feb. 15 1936	Gain %
Governments			
Russian Imp. Gov. 5½% '21	18.75	20.00	6
Repub. of Bol. 7% '69	42.50	85.00	100
Antioquia Col. 7% '45	88.75	97.50	9
Rails & Steamers			
Chicago & E. Illinois 5% '51	63.75	210.00	229
Chic. Mil. St. Paul & P. 5%, 2000	35.00	87.50	150
Fonda, Johnstown & Gl. 4% '82	50.00	65.00	30
Nat. R. R. Mexico 4%, '51	33.75	53.75	59
Munson S. S. Lines 6½%, '37	25.00	107.50	330
Utilities			
Peoples Light & P. 5%, '79	23.75	120.00	405
Havana Elec. Ry. 5½%, '51	55.00	40.00	†28
Amer. Community Pwr. 5½%, '53	25.00	92.50	270
*Cons. Gas Utilities	62.50	400.00	540
Commodities			
Camaguey Sugar Co. 7%, '42	50.00	147.50	195
	573.25	1,526.50	

*100 shares evolved from $1,000 bond.
†Loss.

The Governors explain that the holding of 100 shares of Consolidated Gas Utilities is an accidental speculation, there having been a reorganization of this company by which common shares were virtually thrust upon the Adventurers.

Governors Praise Selves

The Governors, in their annual report, describe the results "in the language of St. James Street, Montreal," as "damn good."

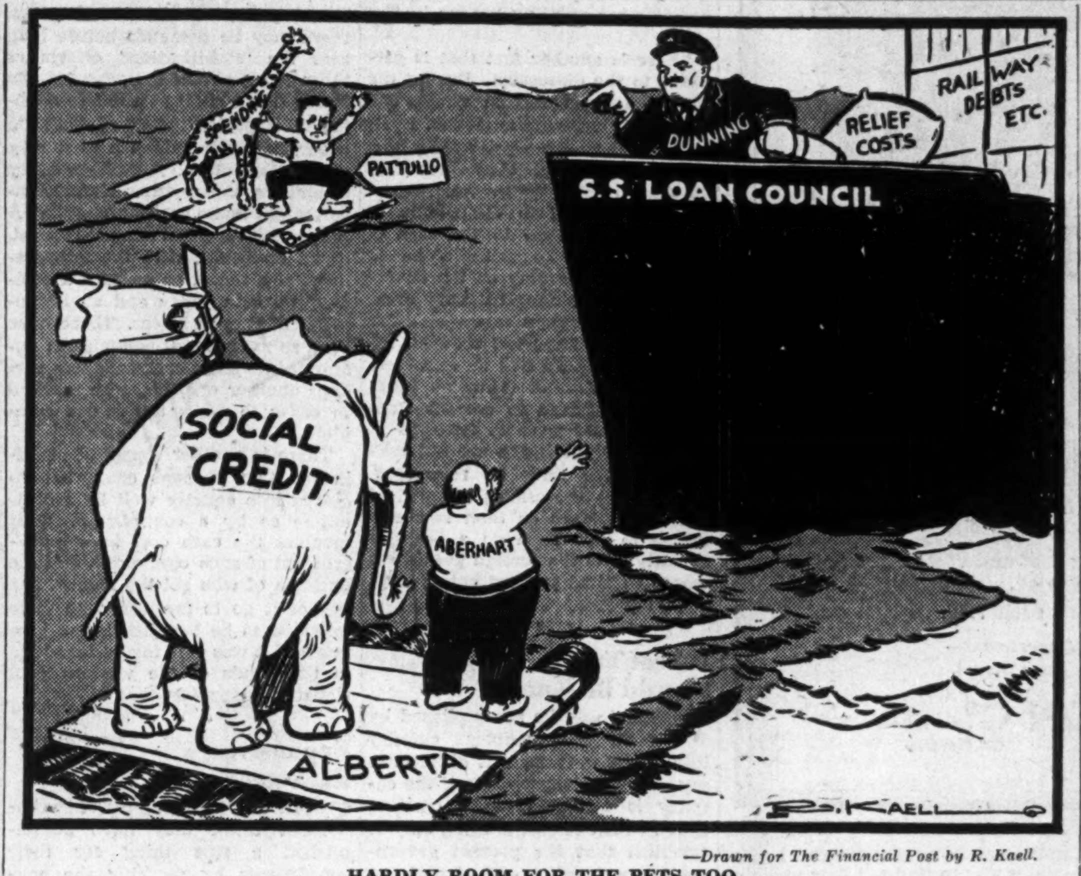
The unfortunate deterioration of the "investment" in Havana Electric is viewed with hope: either that time will permit the unloading of this security without loss, or that the certificate will evolve into an artistic mural decoration.

Pulpwood Supply For '37 in Danger

From Our Own Correspondent

MONTREAL. — An unusually early spring break-up in the St. Lawrence Valley, Ottawa Valley and the Saguenay district is likely to have an adverse effect on pulpwood operations this spring and limit the supply of pulpwood for next year's operations.

The break-up has come three weeks earlier than usual this year, with the result that operators have been caught unprepared. And a large amount of pulpwood is likely to be left in the woods this year. Boom troubles also have been experienced by some companies, but reports received so far appear to have been exaggerated.



—Drawn for The Financial Post by R. Kaell.

HARDLY ROOM FOR THE PETS TOO

Insurance Officials Critical Of B. C. Health Legislation

Leading Authorities Tell Premier It's Actuarially Unsound

From Our Own Correspondent

VICTORIA. — Reconsideration of the entire plan of health insurance as proposed by the British Columbia government "with a view to placing it on a definite basis, with stated contributions, clearly prescribed benefits for limited periods, agreed scales of remuneration to physicians and others, and under an administrative procedure with adequate provisions for appeals" is sought by Canadian life insurance companies in a strong statement made to the government and released by Premier Pattullo this week.

The statement is signed by A. H. Beaton as president of the Canadian Life Insurance Officers Association and embraces the views of the special social insurance committee of that body which includes such prominent insurance leaders and actuaries as Thomas Bradshaw, president of North American Life (chairman); Arthur B. Wood, president, Sun Life; V. R. Smith, general manager, Confederation Life; J. D. Craig, actuary, Metropolitan Life; H. R. Stephenson, general manager, Crown Life; G. W. Geddes, general manager, Northern Life; L. K. File, associate actuary, Canada Life.

Actuarially Unsound

The statement condemns the provincial scheme as actuarially unsound and states its belief that in its present form the financial outcome of the plan is unpredictable. It urges the plan be placed on a definite basis so that actuarial reports could then be properly made which would "enhance greatly its financial stability and the likelihood of its continued solvency" and to this end suggests a committee of three competent actuaries be appointed to "report on the financial and actuarial basis of the scheme and its necessary administrative safeguards."

It suggests the actuaries be chosen from a panel of six men to be named by the presidents of the two recognized international actuarial societies on this continent, namely the Actuarial Society of America and the American Institute of Actuaries.

Favor Sound Plan

In the preamble to its statement which is made in the form of a letter to Premier Pattullo, the life actuaries point out their companies are not engaged in this type of business but that any "well-conceived health insurance plan enlists the sincere sympathy and support of the Canadian Life Insurance Officers Association."

Have Many Criticisms

"Since the scheme, in our opinion," says the statement, "thus appears to be largely undefined and alterable at the will of the Commission, and consequently cannot be certified as actuarially sound, it would seem to be inevitable that if the contributions prove to be inadequate, the claims unreasonable, the scales of remuneration to physicians and others unsound, the benefits excessive, or the administration lax, then the levies upon employees and employers will have to be increased, or the services contemplated will have to be curtailed, or the government will ultimately be forced to subsidize the plan."

The conclusions reached regarding the B. C. proposal have been arrived at, it is stated, after close study made at the request of numerous groups for information and advice as to the plan.

Health Insurance In Effect in 1937

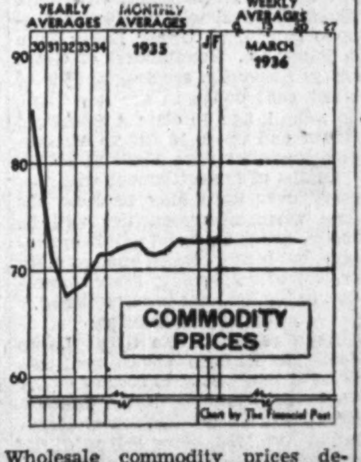
From Our Own Correspondent

VANCOUVER.—Health insurance legislation will be passed at the present session of the legislature and will take effect January 1, 1937, unless last-minute changes are made to the bill.

The bill will apply to all those receiving wages and salaries up to $1,800 annually. They will pay 2 per cent of their income to the insurance fund and their employers will contribute 1 per cent.

The only important amendments to the original bill are likely to grant exemption to certain religious groups who are conscientiously opposed to medical treatment, and to some private insurance schemes in operation by various corporations and societies.

Fractionally Lower



Wholesale commodity prices declined to 72.4 in the week ended March 20 from 72.5 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

Highlights

Canadian Utilities

All types of public utility companies are reviewed in special feature section, with details of financial position and prospects. Pages 17 to 29

Canada's Next Five Years

J. S. McLean, A. G. Partridge and C. E. Gravel discuss salient features of Canadian business and economic problems. Page 3

C. I. M. M.'s New Head

Lt.-Col. George E. Cole, new president of Canadian Institute of Mining and Metallurgy, is a practical mining man, with no use for fol-de-rols. Page 31

More C. P. R. Stock?

Railway seeks authority for additional issue, but will use convertible securities for the present. Page 26

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Britons Out With Bid On Price Bros.

Beaverbrook, Bowaters, Kitcat and Aitken Principals

TERMS MORE LIBERAL

From Our Own Correspondent

MONTREAL.—Control of Price Bros. and Co. will not go to Pacona Ltd., representing Lehman Bros. and Aluminium Ltd., without strong opposition from a syndicate comprising English and Canadian interests.

Final details are being worked out for the competitive offer and an official announcement is expected momentarily.

It is understood the second offer will make provision for all classes of security holders and creditors. This differs from the Pacona offer which, briefly, offered to pay off in cash the bondholders at par and accrued interest, liquidate the claims of creditors, take care of the receiver's and bondholders' protective committee's expenses, as well as leaving a small balance available for the claim of Price Realty Co. bondholders. No consideration was given to the holders of the capital stock, represented at parity by $42.6 millions of common and $6.3 millions of preferred.

Members of Syndicate

The opposition bid will be sponsored by a syndicate comprising the London Daily Express (Lord Beaverbrook) Bowaters Paper Mills and Kitcat and Aitken. In addition a Canadian group of at least five Canadian investment dealers, three in Montreal and two in Toronto, are interested in the undertaking.

While there may be last minute changes, the English-Canadian syndicate offer will be much along the following lines:

The first mortgage bonds, at present outstanding, will be undisturbed. Arrears of interest, amounting to over $2 millions, will be paid in cash.

Creditors will be paid in cash.

Issue New Bonds

In order to take care of these obligations and to give the company adequate working capital, $7.5 millions of general mortgage income bonds will be offered to the present security holders and then the unsold balance to the public. This issue will be underwritten by the sponsors of the proposal and the offering will be made through Canadian investment dealers.

The general mortgage income bonds will carry an income coupon of somewhere between five and six per cent, as well as a bonus of three shares of common stock for each $100 bond.

An important feature of these bonds is that they will be convertible into common shares on the basis of seven shares for each $100 par value of bonds.

The preferred shareholders will be asked to exchange for holdings of a 6½ per cent cumulative security of a par value of $100 for a similar security, but non-cumulative as to dividends for a period of four years.

Further the holders of the preferred will be given a bonus of 2½ shares of common stock for each share of preferred held.

The common shareholders will be given three new shares for every four old shares held.

Proposed Capital Set-up

The new capital set-up under the Beaverbrook - Bowater - Kitcat and Aitken offer will comprise:

$11,061,600 of six per cent first mortgage bonds; $7,500,000 of general mortgage income bonds; $6,284,300 of preferred stock, with rights as outlined; and common stock.

The new company will likely have an authorized common stock capital of about 1.5 million shares, of which 525,000 shares will be reserved for conversion of the general

(Continued on page 2 col. 6)

Record of Prospectuses Ready for Distribution

Volume 13 of The Financial Post Record of Prospectuses, covering all corporate and government financing in Canada in 1934 and 1935, is now ready for distribution.

In addition to giving a summary of all Canadian financing during the past two years, the volume contains a record of bond interest and dividend payments during the period under review and a list of Canadian corporation and government bonds maturing from 1936 to 1942 inclusive. The cumulative index covers some 1,200 prospectuses issued since 1926 and included in the first twelve volumes of the record.

An important new feature of the record is a separate chapter devoted to religious financing, which has recently been of considerable importance. For the most part this consists of the bonds of institutions and communities of the Roman Catholic Church.

Pabst Does Not Intend To Erect Toronto Brewery

E. G. Odette, chairman of the Ontario Liquor Control Board, wrote the Pabst company to ascertain what truth there was in a newspaper story published in Toronto that the company planned a $2 million brewery in Toronto.

The company has replied, denying that there is any truth in the rumor that it purposes erecting a plant in Ontario.

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THE T. EATON Co LIMITED
TORONTO CANADA

SURPRISE AUDITS ARE NOW EXTENDED ALL OVER ONTARIO

(Continued from page 1)

worked in brokers' offices and who were familiar with the books of brokers. Their main job was to find out if clients' securities and clients' cash balances were fully protected. If the broker was making use of these securities or this cash to finance his own operations, the Commission more or less took control and told the broker what he was to do. There were places where we found the company was using the funds of clients, but apparently doing it in good faith. We stayed with them in such cases until they had their accounts in good order and fully understood all that was involved in the trustee nature of their dealings with the money of clients.

Chasing Out Parasites

"We have tightened the Commission dealings with companies issuing their own securities either through dealers or directly. Our main aim in the case of mining and other companies was to find out how much of the money obtained from the sale of stock was going to develop the property of the company and how much was being spent for other purposes.

"That disclosed some remarkable situations. We were obliged to chase a dozen or more fellows out of the business. Those were cases where they were paying themselves large salaries and nothing was going to the property. In one case a chap had taken $5,500 from the public. The only money the plant and property ever saw was $200, and that was for a survey."

Keeping Eye on Syndicates

"Are you keeping a survey on the work of syndicates?" he was asked.

"Those small syndicates that were living upon the selling of units, now have to disclose what moneys they are receiving."

"How about the investment dealers?"

"All investment dealers have to submit statements here. Except for the Toronto Stock Exchange, which has an excellent system of audit and inspection of its own, everybody will be under our close inspection. The Investment Dealers Association were given the option of putting in their own panel of auditors. They can do just what the Toronto Stock Exchange is doing or let each dealer submit to us a statement made out in the manner we suggest and audited by auditors satisfactory to us.

"It is quite a job. There are 1,000 non-member brokers and security issuers. Naturally it has taken us some time to get around them all. We have had occasional staff changes when an investigator gets a better offer to enter into private business life. Another has to be trained each time.

Protects Brokers

"Nevertheless there is now supervision over all companies whose shares are being sold in Ontario and over all brokers, either by us or by the Stock Exchange. It is a protection to the broker as well. If a broker raises $20,000 for a mining company by selling the latter's shares to his clients, he knows that for the protection of his clients it is essential the money be spent for development of the property. If those companies have to disclose that the money is being properly used, the broker then knows that his clients are getting a run for their money."

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THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

Canada that would otherwise have been imported.

One of the western members of the House of Commons, discussing the increased price he paid for an American farm magazine and the saving he is now able to make by reason of the tariff being withdrawn, said he would just as soon have the money in his pocket as in the pockets of some printing barons in Toronto.

There is another fact that is germane to the discussion. During the time the tariff was in effect, one magazine, Maclean's, reduced its annual subscription price from $2 a year to $1, its single copy price from 10 cents to five cents. This represented a saving to the public of $250,000, equivalent in the case of one Canadian magazine alone to over half of the duty on the advertising pages of imported magazines.

Here was a plain case where the duty on the imported product, instead of being used as an excuse to raise the prices of Canadian products, was utilized to cut the Canadian product price in two.

Canadian publishers are not asking that the duty be reimposed. Rather they are asking removal of tariffs and taxes on their raw materials to put them on a basis of equality with the foreign publishers whose finished product enters Canada duty free.

* * *

Wheat Truths Should Be Known

WHAT will be accomplished by the Parliamentary enquiry into wheat operations is difficult to say. Very little, probably, if the enquiry is conducted in a partisan spirit, with one side seeking only to establish that the present government wheat policy and administration are better than the previous administration and the other side seeking only to establish the reverse.

A highly useful enquiry could be conducted into the whole history of the stabilization venture. It might record what exactly was done, and the apparent efforts, both on wheat prices and on Canada's markets for wheat. Placing blame on or apportioning credit to individuals, whether Mr. McFarland, Mr. Bennett or their successors will, within a year or two, have no significance, not even from a political standpoint.

Since Canada continues to require a wheat policy, and since there are still some people who believe, in the face of such evidence as is available, that Canada had an intelligent wheat policy during recent years, there may be demands before long that the "stabilization" efforts of those years should be repeated. So it would be well, if possible, to establish an impartial record of what did occur, for such guidance as it may give in the future. A Parliamentary committee, under other circumstances, might make such an enquiry. A judge with the mind of an economist, or an economist with the temperament of a judge, or perhaps a combination of a judge and an economist, could do it better. There have been so many royal commission enquiries into grain in Canada that perhaps another one might be allowed in order to make the record complete.

There is another aspect of stabilization that perhaps could be enquired into equally well by a committee as by a commission. That involves the cash cost to the government of such operations, and the question of who got the money. Did any of it go to farmers, who were intended to be benefitted, and how much of it was paid to and remained in the hands of the western pool elevator companies?

* * *

Expensive Racketeering

SOME western members of Parliament think they have accomplished a fine thing for their constituents by securing the payment, about to be made, of $5 or $6 millions in connection with adjustment of prices to wheat pool farmers on the 1930-31 wheat crop. Before they are through with the subject they may discover that payment to be one of the most expensive gifts ever obtained. It may prove to be the last straw in connection with assistance to western wheat farmers from other parts of the country.

The West has required a great deal of assistance during the past few years. Many of its claims have been quite legitimate. The disastrous situation caused by repeated crop failures over a large part of the country, mostly in southern Saskatchewan, created a national and not a local emergency. Low wheat prices constituted a similar national problem. Assistance to western provincial governments was also given on national grounds. All this has not happened without a good deal of objection. In Ottawa, in Toronto, in Montreal, in the rural East as well as in the cities, people have been saying "How much longer is this going to continue? How much more money is to be poured into the West?"

* * *

SOME of the criticism has been unwarranted, based on a lack of understanding of the real nature of western problems. But this last payment is as unreasonable and as unwarranted an expenditure as was ever made by the Federal Treasury. At once it becomes the tarbrush that paints black all previous payments to the West, both those completely justified and those less so.

Within a few months western members will be urging the Dominion Government to guarantee a minimum wheat price to western farmers through Wheat Board operations for another year. They will find their position made tremendously more difficult by resentment at what has just been done.

Throughout the life of this Parliament, western members will be trying to get consideration for western interests. Their influence will be tremendously impaired by this piece of racketeering to which their support has been given.

Several million dollars will, of course, make quite a mess of pottage, even although it will be shared by only a fraction of the farmers of the West. But it will be soon consumed, and the memory of it will be poor consolation for the birthright that will have been lost.

Great Lakes Deal Reaches Final Stage

Government Brings Sale to Happy Ending For All

The reorganization by mortgage sale of Great Lakes Paper Co. is closing with a movie ending; everybody happy after confusion and strife. Great Lakes bonds moved up two points to 48 on the news.

As first revealed in The Financial Post two weeks ago, the Ontario government has been instrumental in settling the case to the satisfaction of Great Lakes bondholders and of the newsprint industry. As an incidental development, the government is enacting legislation to regulate the pulp and paper industry.

Plan Revised

The settlement has been arranged by revision of the Aldrich-Gefaell offer for purchase of assets of Great Lakes Paper Co. The 24 publishers participating in the offer to bondholders are not to receive dividends on their shares until newsprint reaches at least $45.30 a ton, compared with the present price of $41 a ton.

The government has been assured that the Aldrich-Gefaell contract will not disturb the price of newsprint. The new company that is to operate the Great Lakes enterprise under the deal will receive an Ontario charter as Upper Lakes Pulp & Paper Co. Bondholders of Great Lakes Paper Co. are to get: $600 of 5 per cent bonds in the new firm, between 9 and 10 class A preferred shares and up to 10 shares of common stock for each $1,000 of bonds.

Delays of the settlement will now carry over until May or June the date when new securities will be ready. Court approval will be necessary, but is now looked upon as more or less of a formality since opposition to the deal has been mollified.

Control For Industry

As a result of the Great Lakes deal, the Ontario government has decided that some regulation of the newsprint industry is required. Hence the Forest Resources Regulation Act, 1936, being Bill 90 of the present Ontario legislative session has been introduced. It is aimed at restoration of control to Ontario of timber areas that have been allotted to concessionaires, chiefly pulp and paper firms.

Curtailment Not Future Of C. N. R. Say Trustees

Expansion of Earning Way Out, Declares Report

TRAFFIC IS NEED

From Our Own Correspondent

MONTREAL.—Vital need of Canadian National Railways is a return to something like average traffic volume, say the trustees in the annual report for 1935.

It is pointed out in the report that indications for additional business are favorable and the 1936 budget anticipates an increase of $17 millions in gross revenue over 1935. Interest charges due to the public will be reduced this year to $49.7 millions, largely the result of refunding. This is a decline in interest of $7.2 millions from the peak in 1932, but does not include the huge interest charges paid by the Dominion Government on debt it has incurred on behalf of the C.N.R.

Economic and Efficient

In discussing the general position of the railway, the trustees claim the system is being operated economically and efficiently.

"Some further economies from cooperative measures may be expected," the report says, "but co-operative economy is a most difficult process when maintenance expenditures and grain and car mileages have been so drastically reduced. It is becoming increasingly certain that any substantial improvement in net earnings can be secured in no other way than by increased volume of traffic and, in the opinion of the trustees, it is in the public interest that the way out of the present difficulties be found in the expansion of earnings rather than by way of a further curtailment of railway expenditures. The latter process is a negative one."

The report pays attention to the increasing highway competition. It is pointed out the railways recognize motor vehicles have become an established alternative transportation system for certain classes of traffic but urge there should be a more equal regulation of the conditions under which the two forms of transportation compete.

Views on Equipment

An important point brought out is that the trustees consider there is no economic justification for any wholesale replacement of equipment, nor are there financial resources available for any such programme. The report continues.

"It will, however, be necessary to air-condition the principal main line passenger trains and something will have to be done in this direction during 1936."

Abandonment of Lines

Particulars are given of the abandonment of light traffic branch lines. To date, 25 applications have been submitted to the Board of Railway Commissioners and 12 have been granted, covering a mileage of 186.52; seven have been denied, covering a mileage of 183.15; and six, covering 190.9 miles, had not been decided by the end of the year.

Real Efficiency Obscured

In discussing the efficiency and value of the Canadian National Railways the trustees say that, "If all the facts are taken into consideration and allowance made for the burden of debt inherited from predecessor companies, the extent to which the railway has been developed as an agency of government to open up sections of the country for settlement, the extent to which the railway aids the primary producers in transporting their products, at rates sufficiently low to enable them to compete in the markets of the world, and also for the effect of the present business depression, there will be found justification for the contention that the real efficiency of the railway is obscured by a combination of unfavorable factors for which the management and employees have no responsibility."

Features of Report

Some of the more salient features of the statement follow:

Loans from the Dominion including accrued but unpaid interest, totalled $1,249 millions at the end of 1935. This figure includes $495 millions of accrued but unpaid interest.

The C.N.R. paid interest in 1935 on $74.7 millions of temporary loans from the Dominion for redemption of funded debt, pending permanent refunding.

The authorized and issued capital stock of Canadian National Electric Railways was increased during the year from $250,000 to $1,750,000.

Iron and steel revenue tonnage handled during 1935 increased 61.39 per cent over 1934. This was the largest percentage of gain reported in any major classification.

The number of revenue passengers carried by the C.N.R. in 1935 declined about 300,000 to 9.7 million. Revenue passenger miles, on the other hand, increased from 723 million to 770 million.

Revenue freight ton miles in 1935 totalled 13,509 million as against 12,949 million in 1934.

Operating ratio in 1935 at 91.77 per cent compared with 92.14 per cent in the previous twelve months.

Of every operating revenue dollar received in 1935, 55.9 cents was spent on labor, as against 55.78 cents in 1934.

The average number of employees on the C.N.R. in 1935 was 75,053, to whom salaries and wages totalling $104.8 millions were paid. This compares with an average of 74,774 employees and a total pay roll of $98.4 millions in 1934.

Que. Chronicle Publisher Takes Beauharnois Stand

From Our Own Correspondent

MONTREAL.—Hon. Frank Carrel, publisher of the Quebec Chronicle-Telegraph, in a signed editorial strongly urges that interest must be paid on the first mortgage bonds of Beauharnois Light, Heat and Power Co. He brings out the point that by granting licenses to the company, the provincial and Dominion governments gave an indirect approval of the project and guarantee of its success.

With the Ontario market cut off, the Quebec publisher favors a letting down of the bars so that Beauharnois can export sufficient power to raise its income to a level sufficient to take care of interest on the bonds. Certain interests, he alleges, are opposed to this plan, favoring a capital reorganization which would lower interest charges or stop them for a while. A strong protest should be made to the government if this opposition materializes. Further he implies that Beauharnois is a "gold mine" for Montreal Power, and the latter should assume an obligation in respect to interest payments.

Metal Prices

New York—Mar. 24—
Copper: Electrolytic spot and future, $9.25 to $9.50.
Silver: 44¾c.
London—Mar. 24—
(Long Ton)—
Copper: Electrolytic spot, £40 5s; future, £40 15s. Standard spot, £36; future, £36 7s 6d.
Tin: Spot, £212 10s; future, £204 12s 6d.
Lead: Spot, £16 7s 6d; future, £16 12s 6d.
Zinc: Spot, £16; future, £16 5s.
Gold: 140s 11½d.
Silver: 19[illegible]d.
Canada—Mar. 24—
Gold: $35.04.

Pelissier's Sale Getting Into Courts

Action Reported After Disposal of Assets for $200,000

Action of directors of Pelissier's Ltd., Winnipeg brewing concern, in selling assets of the company to United Securities Ltd., for $200,000 is likely to be aired in the courts as a result of legal proceedings reportedly instituted by a common shareholder in Winnipeg.

Legal proceedings hinge on the sale which was to have been considered by shareholders at a meeting on March 17, and subsequently postponed to March 31, "to comply with amendments to the Companies Act."

One point that has apparently arisen out of the sale proceedings is the contention that directors had the right to sell the assets without the consent of shareholders.

$5,000 Already Paid

However, approval of shareholders was evidently sought, as the scheduled meeting indicated. Meanwhile, a payment of $5,000 on account was made by United Securities Ltd., with a further payment of $185,000 to be made on April 15, and a payment to National Trust Co. of $10,000 on the same date, to be held by the trust company until September 30, 1936.

United Securities Ltd. is associated with the brewing industry in Winnipeg, it is learned, and is scheduled to take over Pelissier's on April 15, date of the $185,000 payment.

Eastern Canadian financial interests, representing substantial holdings of common stock, meanwhile protested the sale on the ground that it would probably leave nothing for common shareholders. Preferred holders, it was estimated, would receive about $60 a share.

Earnings of Pelissier's Ltd., during the last year have been unsatisfactory and for the fiscal period ended January 31, 1936, the company reported a net loss of $12,359 after depreciation of $10,534 compared with a net loss of $684 in the preceding fiscal period.

In forwarding proxies to shareholders, for the annual meeting to be held March 31, the company explained that owing to delay in printing the balance sheet it was not possible to mail financial statements to shareholders within the time specified by 1935 amendments to the Dominion Companies Act.

The same announcement made known that directors had entered into a contract for the sale of assets of the company.

BRITONS OUT WITH BIDS ON PRICE BROS.

(Continued from page 1)

mortgage income bonds and just over 900,000 issued.

The latter stock will be distributed in the following proportions: 225,000 shares bonus with new general mortgage income bonds; 157,107 shares bonus to holders of preferred stock; 320,124 shares to holders of old common stock; and 225,000 shares to the underwriters; making a total of 927,231 shares.

Under this distribution the present preferred and common shareholders will receive 477,231 of the 927,231 issued shares, or roughly 51 per cent.

This proportion can be increased if the holders exercise the rights to be offered them in purchasing the general mortgage income bonds.

Personnel of the second syndicate is of interest in that the principals have been closely identified with affairs of Price Bros. and Co. on several occasions.

Lord Beaverbrook has been a friend of the Price family for many years and holds a substantial block of common stock in the company. In addition his newspaper, the London Daily Express, is one of Price Bros. largest newsprint customers.

His appearance in this syndicate is of further interest because of his association with Aluminium Ltd., through Duke Price Power Co., in a previous offer for control of Price Bros. and Co.

Bowaters Paper Mills has previously made an offer for Price Bros. but was unsuccessful. At that time Bowaters' offer was opposed by London Daily Express, Duke Price Power Co. and Anglo-Newfoundland Development Co. (a Lord Rothermere enterprise).

Kitcat and Aitken have been closely interested in Price Bros. for many years through large share holdings of the firm and its clients. It was the opposition expressed by this company, as holders of the preferred stock, which blocked a previous plan to reorganize Price Bros.

The Canadian investment dealers are well known and their identity will be made public when the official offer is made.

With two competitors in the field, it is not likely that the rehabilitation of Price Bros. and Co. will be effected without a struggle. Aluminium Ltd. is generally understood to be anxious to see the company placed in a solvent position and the power contract of its associated enterprise—Duke-Price Power Co.—restored to good standing. With its co-partner, Lehman Bros., Aluminium Ltd. may revise the terms offered through Pacona Ltd., in which event consideration would probably be given to the holders of the junior securities.

Murray Bay Pulp Mill Will Start Operations

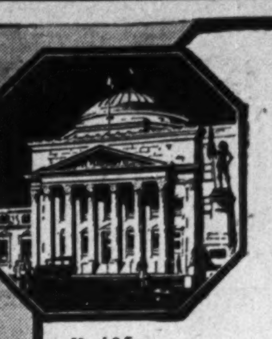
From Our Own Correspondent

MONTREAL.—Arrangements are being made shortly to commence operations at the Murray Bay newsprint mill.

This property, which once formed part of the Abitibi set-up, reverted to the Donahue Brothers some time ago. It is understood the plant has been leased for a period of two or three years to Hearst, with an option to extend the lease to 10 years.

No particulars are available as to the extent of the operations which will be carried out at Murray Bay, but the one machine operating full time is capable of turning out about 12,000 tons of newsprint during the balance of the year.

This amount is too small to have any noticeable bearing on the market.



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Canada—and the Next Five Years

Prominent Canadian Business and Professional Leaders Outline Main National Issues and Offer Solutions

THREE business leaders contribute their views this week to the survey being conducted by The Financial Post into Canada's major problems and their solution. Their views are clear-cut, and their approach indicates in each case a real concern for immediate action looking toward a solution of this country's problems.

* * *

This week's contributors include:

J. Stanley McLean whose voice as a keen student of Canadian affairs is heard at least once a year in his able statements as president of Canada Packers, Ltd. Mr. McLean, in his contribution, makes a very useful analogy between the operation of a successful business enterprise and the conduct of our public affairs.

A. G. Partridge was introduced to readers of The Financial Post a few weeks ago in a personal sketch which showed the international viewpoint of the man who succeeds C. H. Carlisle as president of the Goodyear Tire and Rubber Co. Mr. Partridge came back to Canada from England a year or two ago.

* * *

C. E. Gravel is a French-Canadian and a director of St. Lawrence Flour Mills and Banque Canadienne Nationale. He has given much time and effort to national affairs as an executive member of the Canadian Chamber of Commerce.

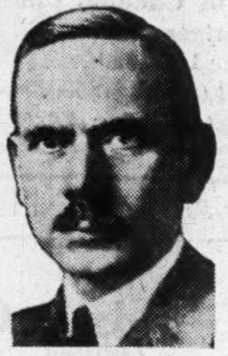
* * *

The series will be continued in subsequent issues of The Financial Post.

Business Ready To Aid Government

By J. STANLEY McLEAN

Political leaders frequently complain that the advice of business men is not very helpful. They say business men fail to keep in mind the hampering conditions under which politicians must work.



J. S. McLEAN

No doubt there is much truth in this. The business man's job is easier. His shareholders are not divided into two permanent factions, one of which is always opposed to him. And he is never under the temptation of sacrificing the interests of the business in order to retain his job.

But in essence government IS business. And if the practice of business can be reduced to a set of principles, then these principles should be a guide toward good government.

Affairs in Poor Shape

Admittedly the affairs of Canada, as a going business concern, are in a bad way. The major symptoms of trouble may be stated.

(1) The deficits—federal, provincial, municipal. For six years the federal government, the provincial governments and many municipalities have been going behind at a most alarming rate.

(2) The fact that higher taxes, imposed to meet these deficits, have not even reduced, much less eliminated them, but have in turn created new and serious problems of their own.

(3) The discouraging condition of most of the basic industries including agriculture, forest industries, and fisheries.

(4) Unemployment with its derivative problem of relief.

(5) The railway problem.

Four and five are in reality symptoms deriving from number three, but in the last six years they have taken on so serious an aspect that many of us might place them first in a list of our major distresses.

Five Leaders Support

These are the chief problems with which the government of Canada is faced. When one considers their magnitude and perplexity one almost wonders that men can be found willing to accept the mental and physical strain involved in attempting to solve them. The business men of the country certainly owe the political leaders their full support and sympathy.

Some lead, as to the solution of these problems, may come by reducing the scale; by considering what a business man would do if faced with a similar problem in a single business.

His first effort would be to stop the losses. If he cannot do this the business must ultimately go into liquidation and disappear.

(Here the analogy may seem to break down. But in fact it does not. It is true a nation does not disappear. In a national sense liquidation involves repudiation of obligations and as a consequence a reduction in the standard of living. Unless we can balance our budget soon that certainly faces us.)

Two Ways to Stop Losses

How then does this businessman go about stopping the losses?

Remedies are of two kinds:

(1) Palliative.

(2) Fundamental.

Palliative remedies are the easier and the quicker to apply. In the main they consist of cutting down expenditures, letting out employees, reducing salaries, etc. These things can be done at once.

(When we apply the analogy to national affairs it is clear that palliative remedies are of small value. Dismissing an employee does not solve the problem for the state. The dismissed man is likely to go on relief. But whether on relief or not, every unemployed man is a liability to the state.)

And though palliative measures may be necessary, a business is not saved by these. Without fundamental remedies they are useless.

What then are the fundamental remedies? They can perhaps be embraced in a single formula: to produce better goods; to organize the operations so that those better goods are produced at less cost; to improve the service by which they are offered to customers.

By these methods a business is fortified to meet competition and its volume is increased. As volume continues to increase a smaller margin of profit suffices. So prices can be further reduced and volume still further increased.

Here the analogy is complete. If we stop to think, it is clear that the solution of our national problems lies in increasing volume; that is, trade, domestic plus export. If trade can be increased SUFFICIENTLY the budgets can be balanced and taxes at the same time can be reduced. Moreover, the unemployment problem and the railway problem would tend to solve themselves automatically.

Leader Must Reach People

Are the methods by which volume is built up in a single business applicable on a national scale? The problem is much more complex. It demands a leadership capable of reaching the MINDS of ten million people scattered over a continent. But the principles are the same.

(a) Can we provide better goods? Who can estimate the increased wealth that might accrue to Canada each year if every producer in every field became infused with the idea of doing his job each day a little better than the day before? To cite one example alone. If Canadian hogs were as good as Danish hogs (and they might be better) the returns for hogs to the Canadian producer would be increased $12 millions per year.

(b) Could the better goods be produced at a less cost? The answer to this lies in every man's estimate of the efficiency with which his own job is done. Those who now do their job best will undoubtedly be those who most confidently answer yes.

This phase of the problem carries us into the complex field of tariffs and of government regulation of business. But the directing compass will be the idea of producing, as a nation, the greatest possible volume of the best possible goods at the lowest possible cost.

High Appeal Will Get Support

In this ideal the leadership can come from only one source, viz., the government. It is a task of enormous proportions which no man and no group of men can do perfectly.

But because of the national emergency the government, if its appeal is high enough, can count upon a measure of support and sympathy perhaps never accorded to a Canadian government before.

* * *

Providing Work First Necessity

By A. G. PARTRIDGE

Canada's five chief problems are, in my opinion:

1. Relief of unemployment—
   (a) Getting people back to work.
   (b) Placing young men and women in useful occupations.
   (c) Financing and administration of direct relief.
2. Reduction in expenditures on trading operations, i.e., deficits on Canadian National Railways, Canadian Government Merchant Marines, etc.
3. Balancing the budgets of all governmental authorities by reducing expenditures in every way possible.
4. Expansion of domestic and foreign trade.
5. Promotion of a policy of selected immigration.

A. G. PARTRIDGE

While the problems outlined above may appear in some ways distinct in themselves, in my opinion they can be summarized in what I consider to be Canada's one main problem, namely; providing work for its people. If this can be accomplished, the solution of the other problems becomes simple in direct ratio to our success in this direction.

The question then is—how can we in Canada create a condition under which the number of unemployed can be reduced to a minimum or to that percentage of population which, for various reasons, may be considered unemployable? To get men back to work and to provide new opportunities of employment, we must create in Canada a feeling of confidence between all the classes of the population and that feeling of confidence can only be engendered if all sections of Canada agree to work together.

Should Forget Partisanship

Present conditions call for real statesmanlike leadership. Party politics and partisanship should be set aside as they would be under any very great emergency, such as a war. The best brains and ability in the country should be enlisted for the purpose of seriously, impartially and dispassionately devising ways and means of increasing employment.

In all national emergencies, there is a natural tendency to find a scapegoat for all difficulties, but if we are going to restore that confidence the lack of which is, in my opinion, at the root of all our troubles, we surely cannot do it by electing the financial and business institutions and leaders as our national scapegoats.

The unemployed man cannot, of course, be blamed if he demands some security for himself and his dependents, but no attempts to give him this security are going to be successful if we treat as criminals those who through their thrift and saving have become well-to-do and cause them to still further withdraw their capital from constructive business uses.

Many books, articles, financial and business magazines and papers have been published which give the true facts concerning the causes for the world depression, but this information does not get wide enough circulation among the people who do not do very much thinking for themselves and who, consequently, grab at quack remedies and follow false prophets who have adopted the easy way of setting class against class to their own advantage.

Since our present federal government will be free from change for the greater part of the next five years, it has a splendid opportunity for carrying out constructive plans toward economic recovery rather than of so-called reform.

Suggests Relief Volunteers

Apart from balancing budgets, I believe it is absolutely essential that a revision should be made in the manner of financing and administering direct relief. There should be fair and generous relief for deserving cases of unemployed or unemployable citizens. This relief should be administered under the supervision of non-political bodies familiar with local conditions, assisted by volunteer workers who by their training and education can do much toward destroying the tendency to array class against class, but rather spread the gospel of good fellowship and service, together with reliable information as to what is being done toward improving conditions.

I believe that the services of the most outstanding citizens would be readily given to supervise the proper and adequate administration of relief if given sufficient authority to handle claims with a certain amount of discretion.

With fewer laws of a paternalistic character, fair taxation well enforced, with a knowledge on the part of the taxpayer that the money which he contributes toward the cost of government will be effectively and conscientiously spent and dealt with as a public trust, we can build up the confidence and morale of all citizens and only in this way can we assure to coming generations the opportunities which have heretofore existed.

Immigration Would Help

Without relaxing our efforts toward holding or increasing our export trade, we must keep in mind that every country in the world is trying to do the same thing and with the world's trade down from 33-1/3 per cent to 50 per cent, I feel that our biggest opportunity is in increasing our internal trade by the methods outlined above; which I feel sure would attract many of the right kind of immigrants from countries whose governments are adopting different procedures to those suggested. The proper kind of immigration would help not hinder our recovery.

* * *

Use Pruning Knife To Balance Budget

By C. E. GRAVEL

Canada's five chief problems are:

1. A balanced budget which can be attained only:

(A) By railway deficit being reduced by curtailing certain services; for instance, three trains a week, when daily service is not absolutely necessary; closing of all ticket offices, but station;

(B) By removing duplication of services, between the provincial and federal governments, as for instance, experimental farms, etc.;

(C) By reducing number of civil service employees, eliminating those which lack efficiency;

(D) By curtailing activities of certain departments, which are not absolutely necessary.

2. Unemployment—Investigate every case following in this practice the policy of England. All work to relieve unemployment should be made at reduced wages, so that the unemployed will realize that this work is of a temporary nature.

3. Trade agreements with foreign countries, particularly with England and United States;

4. Wheat policy to be based on supply and demand;

5. Text books used in schools, from coast to coast, to be worded so as to develop in Canada a better knowledge of the past, present and future of our country.

Howard Smith Plan Declared Effective

From Our Own Correspondent

MONTREAL.—Supplementary letters patent covering the rearrangement of capital resulting from the preferred dividend arrears compromise will be issued to Howard Smith Paper Mills as of March 5, the preferred stock will sell ex-dividend payment March 30.

Subject to the issue of these letters patent the dividend and bonus on the 6 per cent cumulative preference shares will be mailed April 10 to shareholders of record March 31. The declaration will be: $2 in cash, plus one-eighth share of cumulative preference stock and one share of common stock for each preference share held.

Canadian Gold Output

Gold mines of Ontario in 1935 treated 7,009,576 tons of ore and produced 2,137,488 ounces of gold and 431,024 ounces of silver, valued at $74,517,019, according to a provincial report. In 1934 6,375,867 tons of ore were milled and the recovery for the year was valued at $70,063,046. Porcupine was the largest gold producing area in 1935.

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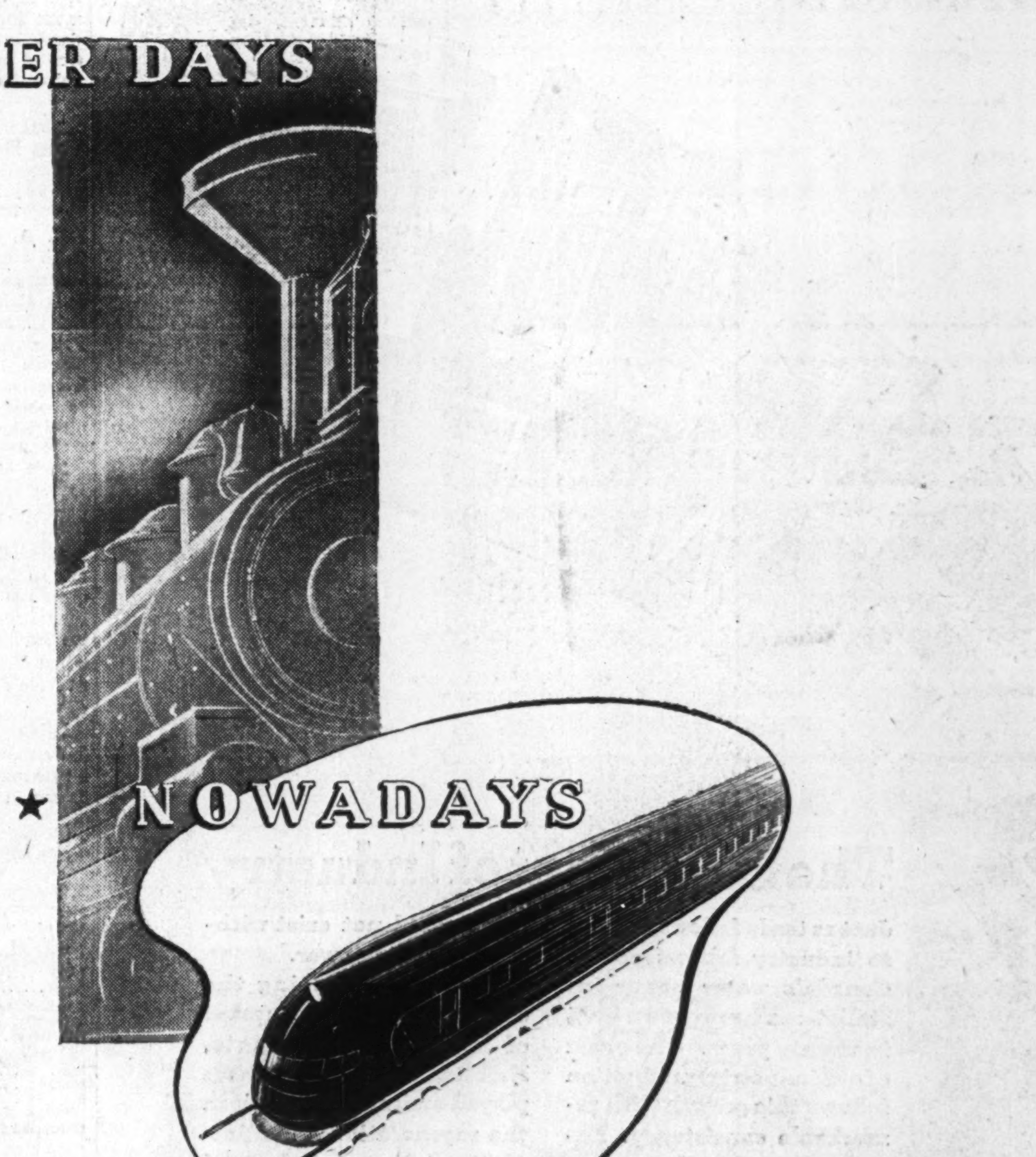

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Investment Trends

Stock Prices Outrun Advance of Business

Share Prices Remain in Trading Range While Business Shows Signs of Normal Spring Revival

The rise of stock market prices was running ahead of business in the first two months of this year. Stocks now remain in the trading range described in this column last week while business activity shows indications of the usual spring revival. The stock market still discounts a good deal of the probable business improvement of 1936.

International affairs can be expected to continue agitated. Japan appears to be experiencing the adverse as well as the stimulating effects of inflationary credit expansion. The inflationary virus appears to be at work in Italy and Germany.

Bad business weather, flood damages, etc., have deferred spring buying. Pronounced business gains may now arise from this deferment.

Trading Range

RECOVERY of stock market averages from their recent lows still leaves them in a range from which either a considerable decline or advance can develop. Chart readers feel that the investor may be able to buy the more speculative types of shares at lower levels. Investment demand continues strong, however, so there doesn't appear to be much likelihood of any substantial decline for seasoned, dividend-paying stocks on which the yield is four per cent or better.

A basic feature in the present investment situation is that issues of securities consist almost entirely of refinancing so that new securities are not being created. The natural result of the rigid supplies of investment media is to sustain prices, particularly of securities where the yield is reasonably satisfactory. The bulk of funds available for investment is apparent from the firmness of bonds.

* * *

Yields on Utilities

THIS week The Financial Post surveys the field of public utility investments. High yields on tried and tested public utility shares have attractions, but also suggest only a sluggish rise of investment confidence in the field. Witness the position of common shares of four major urban companies:

Shares of:	Price $	Div. $	Yield %
Montreal L. H. & P. ..	33	1.50	4.6
Consumers' Gas	198	10.00	5.1
Quebec Power	17½	1.00	5.7
Ottawa L. H. & P. ..	95	6.00	6.3

With the advance of recovery, baiting of public utilities may moderate. Although taxes have been aimed particularly at utilities, it should not be overlooked that interest rates have fallen. Since public utilities carry heavy fixed charges, reduction in these by refinancing at lower interest rates will do a lot to offset higher taxation. The investment fraternity, therefore, may be overlooking some good bets in shares of operating companies.

* * *

Unworried Investors

THE tendency to popularize stocks at the expense of investment in stable preferred shares and bonds is causing less trouble for investment houses than might be expected. Many investors are resigning themselves to a period of reduced rates of interest. Some are buying only medium term bonds so as to be in a position to reinvest more lucratively if interest rates stiffen. In other cases convertible securities satisfy the bondholder's desire to share in any increase of prosperity that may be coming.

Underlying it all is the fact that many investors require safety primarily and therefore stick to bonds despite the lure of a possible "new era" boom in stocks. Undoubtedly convertible bonds and preferred shares are going to increase in popularity with both investors and offering houses.

* * *

Is Depression Over?

THE saying is that we don't know when we're well off and talk of depression may linger after an expansive recovery has developed. In Britain and Australia, recovery started earlier than in Canada and the United States. Consequently speculation abroad is becoming active on the question of the limits of national recovery without further expansion of international trade.

An inextricable influence in expanding international trade is currency stability. Yet the views of British bankers are conflicting on the present merits of such stability, as can be seen from the current monthly letter of The Bank of Nova Scotia.

Fortunately for Canada, the dollar has been fairly steady in terms of sterling and the U. S. currency. Not only is there room for greater internal recovery here, particularly in the construction field, but this basic currency factor in our external trade is favorable.

When the need for assurance of stable currencies to allow expansion of international recovery becomes a more active topic of discussion, it will be a sign that a full internal recovery has developed in Canada.

* * *

Oddments

HANDICAPPED by higher export rail rates than wheat, Canadian flour would naturally suffer from the proposed increase in North Atlantic freight rates. Canadian milling firms require considerable further export volume for satisfactory earnings.

* * *

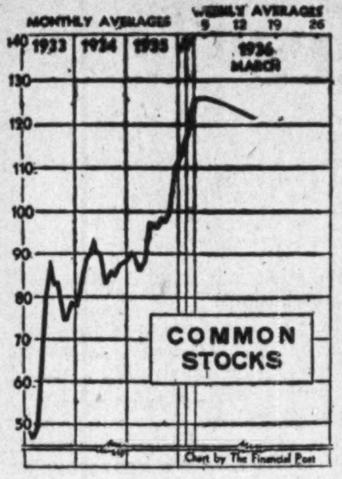
Investors in the newsprint industry will sympathize with regulation of Ontario pulp and paper firms for the benefit of the industry. With the Great Lakes Paper situation cleared, newsprint looks healthier.

Publication of the C.N.R. report revives interest in the deadweight debt problem in Canada which promises either higher taxation or a grave financial crisis unless some miraculous rise of the national income occurs. In any alternative, the situation of government finances constitutes a most serious internal threat to investment stability.

* * *

Statements at Ottawa that farm implement tariffs may be reduced again indicate the serious risk at present in securities of companies that must depend to some extent on protection.

Softer



Stock prices softened again in the week ended March 19. Since then there has been a modest rise. Comparative Dominion Bureau indices appear on this page.

POWER
1915
1920
1925
1930
1935

The Stimulant of Industry

Just as trade follows the flag so industry follows power. Canada's water power installations have grown 240% in twenty years. The chart of our industrial production follows this growth with remarkable consistency. Entire districts have been given a new lease of life following the development of adjacent water powers. New payrolls and new population have combined to create new prosperity. Key industries such as mining and newsprint could not exist without adequate power.

Through financing the development of a number of hydro electric plants, Nesbitt, Thomson & Co. have played an important part in the regeneration and stimulation of many industrial areas throughout Canada.

The process of industrial growth stimulated by power developments will continue. Power will be, in the future as in the past, the key to our industrial progress.

We recommend the Securities of

Power Corporation of Canada Limited
B.C. Power Corporation Limited
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Weston's U.K. Venture Separate from Canada

Offer Made to Underwrite G. Weston Holdings in British Company — Shareholders May Receive Rights

Shareholders of George Weston, Ltd., may be offered a participation in the venture of its president, Garfield Weston, and financial supporters in establishing a series of bread, biscuit and cake companies in the British Isles.

The suggestion has been made that the 250,000 shares of George Weston Foods, Ltd. (of Great Britain) now owned by George Weston, Ltd., should be offered to shareholders of the Canadian company at around $2.50 a share. It is understood important interests are ready to underwrite this stock and if an opportunity is offered to shareholders of George Weston, it is probable it would be on a basis of one share in the British company for every two common shares owned in the Canadian company.

At the end of 1935 there were 375,882 common shares of George Weston, Ltd., outstanding.

Each shareholder could decide for himself whether he wants to participate in the British venture or not. The Canadian company will continue in full charge of operations in Canada and the United States. The British venture will be separate, if this plan is adopted. Money will be needed for expansion in the United States and the new money would be useful to George Weston, Ltd. For instance, the plant at Battle Creek, Mich., will be placed in full operation in two months time.

Doing Well in U. K.

Garfield Weston states to The Financial Post that the subsidiaries of George Weston Foods are now thriving in 15 of the largest cities of the British Isles. The British public has provided a total of $7.5 millions to finance the various ventures undertaken. All companies are paying dividends on their senior securities and most of them are earning something on common as well.

George Weston Foods Ltd. has just completed arrangements for obtaining the Porter chain grocery stores, a Londonderry chain. It already has Stewart's Cash Stores. The two chains will give the company complete coverage of Northern Ireland, and its biscuit and bread will also be featured in these stores.

The issue of 15,000 new five per cent convertible preferred shares went over well. From proceeds all mortgages and bonds outstanding will be redeemed as well as the outstanding 9,000 shares of seven per cent preferred to be redeemed May 1, 1936.

The shares of George Weston Foods, which is simply a holding company for shares of operating companies in the British Isles, are not listed and are not likely to be for two years. After that it is intended to apply for listing on the London Stock Exchange.

At the annual meeting of George Weston, Ltd., on March 20 the following directors and officers were elected: B. E. Smith, New York City, chairman of board; Garfield Weston, president; F. W. St. Lawrence, vice-president and general manager in charge of Canadian operations; R. E. Watson, vice-president and general manager in charge of United States operations; Charles W. Kerr, K.C., secretary and counsel; R. A. Robertson, treasurer; other directors: D. L. Chrysler, Brantford, Ont.; and J. A. Gairdner, newly appointed.

R. E. Watson told shareholders sales in the United States in 1935 were 21.11 per cent higher than in 1934.

J. A. GAIRDNER

Elected to the board of directors of George Weston, Ltd., at the annual meeting. Mr. Gairdner is president of Gairdner & Company, Limited.

Investment Notes

Fanny Farmer — Eastern U. S. floods have hampered business. Several shops have been partly under water and you can't sell candy to crabs.

* * *

Langley's—Higher cleaning prices have not helped, judging from the annual report. Although the outlook is viewed favorably, the statement indicates the preferred dividend is again endangered, as reflected in the drop of the preferred below 50.

* * *

Thayers—Rumor has it that Supertest holds a substantial block of common shares acquired from proprietary interests.

* * *

B. A. Oil — Some shareholders have complained about insufficient information but they can hardly kick about the company's achievements. Seymour Trent of Hambly, Peaker & Trent, Toronto Stock Exchange firm, reports from Oklahoma that the company is expected to become one of the biggest U. S. oil producers.

* * *

Ford of Canada — Massachusetts Investors Trust sold 5,000 shares in January.

* * *

Aircraft — British manufacturers are so busy supplying government orders that an overflow of orders for passenger planes has developed. De Havilland of Canada and Canadian Vickers may get some benefit from such business.

* * *

Loblaw Groceterias Co.—Now has 5,300 shareholders and has expanded its market stores to 42, of which 30 are in the Toronto area.

Enamel & Heating—The company should benefit from its appointment as Canadian representatives of Kohler Co., of Kohler, Wis., well-known U. S. producer of plumbing and heating fixtures.

* * *

Distillers, Walkers — Although Walker shares pay a $2 dividend Distillers Corp.-Seagrams, which is not paying, acts just as strong. One New York commentator suggests that the reason Canadian distillery shares are not firmer is that U. S. distillers are catching up in creating stocks of matured whisky and that when they do the biggest source of the Canadian firms' profits—the U. S. field—will be less lucrative.

* * *

Canada Malting—No startling reason is apparent for the firmness of the shares this week. The equity represents comparative stability with an attractive yield at the present interest rate level.

* * *

B. C. Pulp and Paper Co.—Difficulties in 1935 not only affected earnings, but made it necessary to effect several changes in policy. It was necessary to establish new markets due to shipping troubles on the Pacific coast, which caused several steamship companies to cancel services to Canadian ports. The tariff war between Canada and Japan prevented sales to that country during the latter half of the year. The changes naturally had an adverse effect on earnings in 1935, which will be reflected in results for the early part of 1936. However, the management anticipates some improvement in conditions later this year.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
Weekly Figures, 1936:										
Mar. 5	141.3	19.9	85.7	247.9	75.4	158.5	149.1	202.2	58.0	127.0
Mar. 12	138.0	19.6	89.6	237.9	73.7	154.8	141.6	195.2	55.7	122.5
Mar. 19	133.3	17.7	92.5	234.7	71.9	151.6	134.5	192.8	54.2	120.6

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Mar. 24	135.65	123.14	132.94
Mar. 23	137.15	125.76	135.04
Mar. 21	136.32	125.93	135.76
Mar. 20	136.74	125.95	136.36
Mar. 19	135.91	125.78	136.34
Mar. 18	135.72	125.42	136.88
Month ago ..	139.58	129.98	140.17
Year ago ...	101.43	119.10	83.00
High, 1936 ..	143.48	135.81	144.33
Low, 1936 ..	127.74	115.97	123.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Mar. 24	70.7	75.5	73.9
Mar. 23	71.8	75.9	74.5
Mar. 21	71.6	75.6	74.3
Mar. 20	71.6	76.3	74.7
Mar. 19	71.7	75.9	74.5
Mar. 18	71.9	75.8	74.5
Month ago	72.9	76.0	75.0
Year ago	59.1	56.9	57.6
High, 1936	73.4	78.4	76.6
Low, 1936	68.0	70.3	69.6

'Peg Electric President Thinks City Offer Queer

The civic transportation committee of Winnipeg city council proposes citizens should vote on a by-law to buy Winnipeg Electric Co. and associated concerns for $32 millions. It suggests payment should be made in 30-year 4 per cent Winnipeg bonds. Valuation of city officials compares with $55 millions set forth by Edward Anderson, K.C., president of the company, who has refused to consider $32 millions.

The civic committee wants an exchange of information to see whether the two cannot get closer together and arrive at a fair price rather than call in an outside authority to determine proper valuation, states one of the members of the subcommittee.

Edward Anderson, K.C., president, is quoted, however, as finding this qualified offer difficult to understand. After two years in which an offer could have been made, a conditional offer is made "which they know cannot be entertained."

Canadian Public Utility Bonds
To Yield 4.02% and 4.68%

Investors requiring security combined with a reasonable interest return, may obtain a suitable investment in bonds of sound Canadian public utilities. Bonds of two old established companies with successful records of operation are suggested:

The Shawinigan Water and Power Company
4% First Mortgage and Collateral
Trust Sinking Fund Bonds
Due April 1st, 1961
Denominations: $1,000 and $500.
Price: 99.50 and interest, yielding over 4.02%

Union Gas Company of Canada, Limited
4½% First Mortgage Bonds
Due December 1st, 1950
Denominations: $1,000 and $500.
Price: 98 and interest, yielding 4.68%

Descriptive circulars gladly furnished upon request.

36 King Street West
Toronto
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Wood, Gundy & Company
Limited

Loblaw Results Continue Better

Sales and Profits Rise for Period Ended March 7

Loblaw Groceterias Co. sales and profits continued their advance in the four weeks ended March 7.

Sales have gained in every four-week period in the current financial year. The increase in profits for the four weeks ended March 7 is the eighth consecutive gain.

Comparative results follow:

4 wks. to March 7:	1936 $	1935 $	Incr. %
Sales	1,317,406	1,264,762	4.2
Profits	70,025	65,584	6.8
40 wks. to March 7:			
Sales	12,345,716	11,828,858	4.4
Profits	622,101	607,434	2.4

Toronto and Montreal Reduce Commission Rates

The Toronto and Montreal Stock Exchanges have reduced commission rates on industrial stocks.

Starting March 23, Toronto Stock Exchange and Montreal Stock Exchange both announce commissions on stocks selling over $10 and under $15 a share have been reduced to 15 cents as compared with 20 cents a share previously. For stocks selling between $25 and $50 commission has been reduced from 30 to 25 cents a share.

Toronto Stock Exchange also states that shares selling at more than $50 and not above $125 will pay commissions of 30 cents as formerly. International Petroleum is on a special rate, however, of 20 cents a share. International Nickel shares carry a commission of 15 cents at $10 to $50 and 20 cents a share at $50 and over.

Ontario Beer is Sold Through 1,422 Outlets

On January 31, 1936, there were 1,422 outlets for sale of beer in Ontario in addition to the stores of the Liquor Control Board. These consisted of 1,152 hotels, 108 social clubs, 85 soldier and labor clubs, 76 military messes and one railway.

Canadians Are Owners Of 225,000 Borden Shares

Canadians own 225,000 shares of The Borden Co. in Canada. Of the $107.7 millions net worth of the company it has invested in Canada $18 millions, or 16½ per cent.

A. W. Milburn, president, and G. M. Waugh, vice-president, told a group of 60 Canadian executives and department managers at a meeting in Toronto on March 21, that this huge investment has grown from the first expenditure of $150,000 in 1902 for a plant. In the 34 years that have intervened the company has built and acquired 44 other plants. It has 2,989 employees as compared with 50 in 1902. All but three of these employees are Canadian citizens. The 1935 pay roll was $3.5 millions. In the last decade 87½ per cent of the Canadian profits have been reinvested in the Dominion, and Mr. Waugh said nothing at all was withdrawn from 1926 to 1933.

Farmers' Prices Vary

Mr. Milburn said that the company has suffered a handicap because numerous competitors can procure their milk supply, for sale in the same markets, at lower rates. This results in a competitor price structure which, if met, meant loss of dollars or loss of markets to both producers and the company.

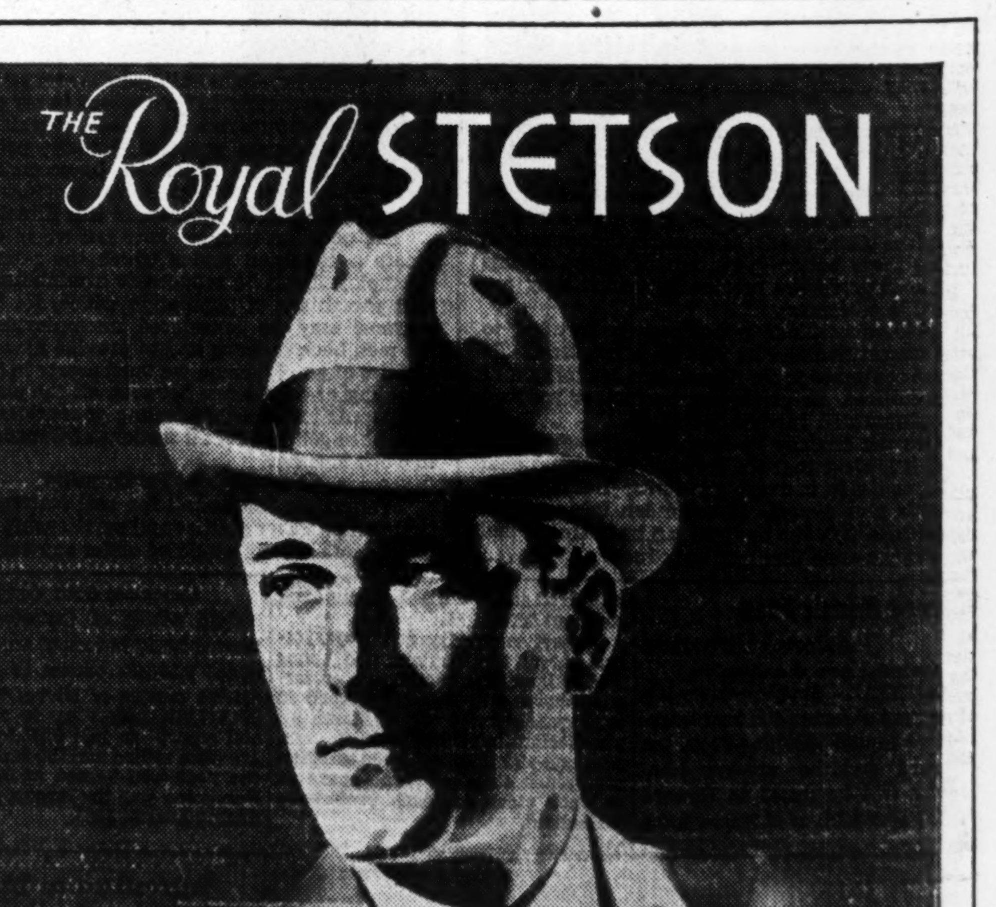
"It is important," he continued, "that producers realize that if they are to retain their present outlets, they must meet the competition of producers supplying our competitors in the same market. There seems to be a growing recognition of this fact."

T. EATON REALTY CO. LIMITED
5% Sinking Fund Twenty-Year Bonds
were
CALLED FOR REDEMPTION
on
FEBRUARY 1st, 1936

Interest ceased on that date

Therefore, to avoid further loss of interest, anyone still holding any of the Bonds should turn them in without delay at any one of the places of payment, namely, any branch in Canada (Yukon Territory excepted) of The Dominion Bank, Bank of Montreal and the Royal Bank of Canada.

THE T. EATON REALTY CO. LIMITED
March 24, 1936.



Pride OF OWNERSHIP . . .

In Canada, as on Piccadilly or Fifth Avenue, the Royal Stetson symbolizes the ultimate in headwear for the man of taste. Made in Canada and priced at Ten Dollars. The Royal Stetsons for Spring are now on display at better stores . . . and we suggest that you inspect them soon — learn for yourself what we mean by "pride of ownership."

Other Stetsons are $6.50 (unlined $6), $8 and up.

JOHN B. STETSON COMPANY (CANADA) LIMITED
Brockville Ontario

The Royal Stetson

The Mark of the World's Most Famous Hat

Bond Markets

Government Bonds Advance Sharply

New Refunding Proposal Prepared For Windsor—New Brunswick Plans Refunding of Maturing Debentures

With demand an important factor, long-term, high-grade bonds are advancing toward what would appear to be peak levels. While investors continue to favor short-term securities, a scarcity of these has been forcing the large investors to buy longer-term issues or to leave their funds idle.

A continuation of this trend will in all probability result in an effort on the part of governments to secure long-term money. The Ontario government has already announced it will seek long-term funds in the near future.

Announcement has been made that a new scheme of refunding is in the offing for Windsor. As a result of negotiations carried on by the bondholders' protective committee, an alternative proposal has been prepared and will be announced within 30 days.

New Brunswick plans an issue of $2,792,000 to refund debentures falling due June 15 next.

There is considerable conjecture in market circles as to whether the Dominion government will assist Alberta in meeting its maturing issue April 1. As yet no announcement has been made which would indicate the probable action of the federal government.

The Shawinigan Water and Power Company

NOTICE OF REDEMPTION

To the Holders of the First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series "C", 5%, of THE SHAWINIGAN WATER AND POWER COMPANY.

NOTICE IS HEREBY GIVEN that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from The Shawinigan Water and Power Company to Montreal Trust Company as Trustee dated October 31, 1927, and the Supplemental Trust Deed dated March 6, 1930, securing the above mentioned Bonds, and to the terms of the said Bonds, The Shawinigan Water and Power Company will redeem all its outstanding First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series "C", 5%, on the 15th day of April, 1936, at 105% of the principal sum thereof and accrued interest on such Bonds to the said 15th day of April, 1936, upon presentation and surrender of such Bonds accompanied by the interest coupons appertaining thereto which mature on and after August 1, 1936, at the principal office of The Royal Bank of Canada in the City of Montreal, Canada, or at the holders' Option at the principal office of Bank of the Manhattan Company in the Borough of Manhattan, The City of New York, United States of America, or at the holders' option at the Bank of Scotland in London, England.

AND NOTICE IS FURTHER HEREBY GIVEN that in case the Bonds hereby called for redemption are not presented for redemption on the said 15th day of April, 1936, all interest on the said Bonds will cease to accrue from and after the said 15th day of April, 1936.

Dated at Montreal this Third day of March, 1936.

THE SHAWINIGAN WATER AND POWER COMPANY,
Jas. Wilson,
Secretary.

Since the redemption moneys on the Bonds to which the above notice relates are payable, at the option of the holders, in sterling in London, England, and having regard to the present premium on sterling in terms of Canadian currency, the Company has arranged that Bondholders may, if they so desire, obtain the benefit of the sterling premium without the necessity of sending their Bonds to London, for redemption, under the following conditions:

Bondholders may surrender their Bonds for redemption, with all unmatured interest coupons attached, to The Royal Bank of Canada, 360 St. James Street, Montreal, during banking hours **on any day between March 26 and April 4, 1936,** both inclusive, and on such surrender will receive in Canadian funds the par value plus redemption premium plus accrued interest on such Bonds to date of surrender, together with an additional sum in Canadian funds equal to the sterling premium on the aggregate of the above mentioned sums, calculated at the prevailing rate between sterling and Canadian funds at the close of business on the last business day preceding the date of surrender, as to which the certificate of said Bank shall be final and conclusive.

THE SHAWINIGAN WATER AND POWER COMPANY,
Jas. Wilson,
Secretary.

Industrial Issues

WITH the surplus of investment funds continuing, an immediate market has been available for such recent industrial issues as British American Oil, Burrard Dry Dock, Winnipeg Electric, Shawinigan Water and Power and International Power & Paper of Newfoundland. Since all are refunding issues, a good portion of the offerings were taken by holders of the bonds which are being redeemed.

While the yield on the new B. A. Oil issue is low, the bonds have considerable attraction to investors because of their exceptional security and their short term. Interest charges were earned 12 times in 1935.

* * *

Municipal Bonds

RECENT municipal offerings have had an excellent reception. Bond dealers report considerable demand for short-term, high-grade, municipal securities, especially from the institutional investors. As a result the market for municipals has been strong.

Municipalities that have maintained a good standing throughout the depression are now reaping the benefits of sound financial policies. A number of municipalities have recently sold low coupon issues at a premium.

* * *

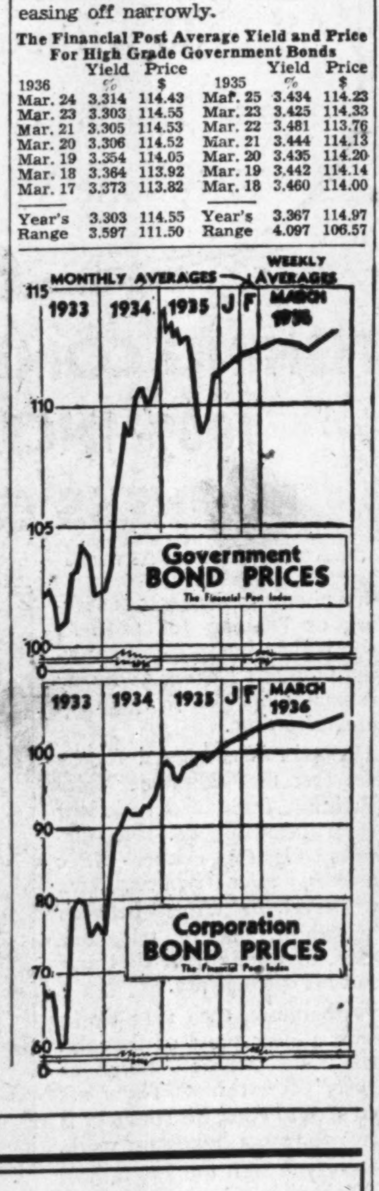
Government Bonds

REACTING sharply from the slump caused by the European crisis, high grade government bonds have climbed to new highs for the year, The Financial Post index touching 114.55. While prices are still slightly below January of last year, yields are at the lowest point in years.

Alberta bonds have recorded further declines, losses ranging up to 1½ points. Other western provincial bonds have also been weak, easing off narrowly.

The Financial Post Average Yield and Price For High Grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
Mar. 24	3.314	114.43	Mar. 25	3.434	114.23
Mar. 23	3.303	114.55	Mar. 23	3.425	114.33
Mar. 21	3.305	114.53	Mar. 22	3.481	113.76
Mar. 20	3.306	114.52	Mar. 21	3.444	114.13
Mar. 19	3.354	114.05	Mar. 20	3.435	114.20
Mar. 18	3.364	113.92	Mar. 19	3.442	114.14
Mar. 17	3.373	113.82	Mar. 18	3.460	114.00
Year's Range	3.303 3.597	114.55 111.50	Year's Range	3.367 4.097	114.97 106.57



B. A. Oil Issue Quickly Bought

New Debenture Interest Covered 12 Times by 1935 Earnings

British American Oil Co. serial debentures, new issue, have been offered by A. E. Ames & Co. at 100 and accrued interest. The issue was well sold in advance of offering it is understood.

British American Oil Co. Ltd.
$4,000,000

1937-1941 2½ per cent debentures maturing serially $500,000 on June 1 of each year until $2.5 millions have matured; and 1942-44 3 per cent debentures totalling $1.5 millions and maturing $500,000 annually on June 1. Dated June 1, 1936.

Denomination $1,000. Registerable as to principal only. Price 100 and acc. int. Interest payable June 1 and December 1 in each year. Insurance company investment.

Redeemable on 45 days notice at par plus accrued interest and 1 per cent premium or on market by purchase.

Capitalization: On redeeming all outstanding 5 per cent debentures and completing this issue securities outstanding will be as follows:

10-yr. s.f. matur. Mar. 1 '45	$4 millions
These debs.	$4 "
Common shares, No.	2,622,642

First sinking fund payment on deb. 4's $222,222 on June 1 '36.

Company: Fully integrated. Produces crude in Oklahoma, Texas and Montana. Has pipe-lines, tank-ships and tankers. Has five refineries in Montreal, Toronto (2), Coutts, Alta., and Moose Jaw, Sask. Has 814 tank storage and distributing centres in Canada and owns and controls 605 service stations operated directly and through tenants.

Sales in 1935 reached 86.3 million gallons of gasoline and 131.5 million gallons of all products as compared with 1934 when gasoline sales were 84.4 million gallons and all products 128.7 million gallons.

Profits: Yearly average 1931-35 $2.9 millions and in 1935 $3.2 millions, 12.04 times int. needs.

Security: Direct obligations of company. Co. covenants in deed of trust not to secure any other issue without doing so rateably with this issue also.

Assets: Total are $29.5 millions of which $10.4 millions are current. Current liabilities are $2.4 millions and debentures outstanding $8 millions.

Purpose: To redeem deb. 5's called for May 29, 1936.

Offering at 100 and accrued interest by A. E. Ames & Co., Wills, Bickle & Robertson, Wood Gundy & Co., and the Dominion Securities Co.

Robert Simpson Redeems Bonds For Sinking Fund

Robert Simpson Co. first mortgage 5 per cent 4-year sinking fund bonds to the principal amount of £12,500 will be redeemed July 1, 1936, by lot at 105 and accrued interest. Trusts & Guarantee Co., Ltd., trustee, has already drawn and advertised numbers of 10 bonds of £500 denomination, 69 bonds of £100 denomination and 30 bonds of £20 denomination.

These will be paid on presentation of bonds at the Midland Bank, London, England, or the office of the trustee, Toronto, upon presentation.

Can. Canners Plans Issue

Shareholders Give Approval to By-laws—Earnings Best Since 1931

Approval of a new issue of $5 millions of first mortgage bonds carrying not more than four per cent interest and convertible into common shares at the holder's option was given by shareholders of Canadian Canners Ltd. March 24.

Authorization to increase the common stock from 200,000 to 400,000 shares in order to provide for possible conversion of the proposed bonds was also given.

The main purpose of the new issue is to refund two issues of six per cent bonds at present outstanding. It is expected these issues will be called for redemption in the near future. Since six months notice is required to redeem Dominion Canners bonds it is expected these will be called April 1 for redemption at 110 Oct. 1. Canadian Canners, due 1950, are to be called May 1 for redemption at 105 July 1.

In addressing shareholders, Avern Pardoe, president, stated earnings in the fiscal year ended Feb. 29 last were the best since 1931. No definite estimate of profits was given, however.

Maritime Tel. and Tel. Operations Show Growth

From Our Own Correspondent

MONTREAL.—Completed toll traffic on the Maritime Telegraph and Telephone Co.'s system numbered 98,365 calls during February, an increase of 5,144 over the same month a year ago. The Island Telephone Co., a subsidiary, also showed an increase in toll business over February last year of approximately 10.3 per cent.

Bond Tenders

8 p.m., Mar. 28, Sorel—$25,000, 4½ per cent bonds, dated Mar. 1, 1936, redeemable serially from Mar. 1, 1937 to Mar. 1, 1966. A. O. Cartier, city clerk.

Noon, Apr. 6, Twp. of Trafalgar—$15,000, 4½ per cent 20-ins. school debentures. W. E. Ford, twp. treas.

8 p.m., Apr. 6, Laprairie, P.Q.—$29,000, bonds of either 4, 4¼ or 4½ per cent, dated May 1, 1936, redeemable serially from May 1, 1937 to May 1, 1956. Ls.-L. Bourdon, sec.-treas.

5 p.m., Mar. 31, Sydney, N.S.—$214,000, 4½ per cent bonds, maturing as follows: $66,000, 1950; $108,000, 1951; $25000, 1952; $15,000, 1953. D. J. O'Connell, treas. (See announcement on page 5).

Dennisteel Corp. Offering Stock

Preference Stock Offered With Bonus of Common

An offering of 6,000 seven per cent non-cumulative preference stock of Dennisteel Corp. Ltd., London, is being made by N. A. Mitchell & Co. Ltd., London, investment house. Half of the issue has already been sold, The Financial Post is informed.

Dennisteel Corp. Ltd. is a new company formed early this year to purchase the assets of Dennisteel Ltd., old-established metal goods manufacturing concern, out of liquidation. Reorganization has resulted in a substantial reduction in the company's capitalization.

Dennisteel Corporation Limited

Offering — $60,000 of 7 per cent non-cumulative voting redeemable preference stock, $10 par value.

Company—Established in London, Ont., in 1868. In 1905, incorporated as Dennis Wire & Iron Works Co. Ltd. In 1925, name changed to Dennisteel Ltd. Reorganized early in 1936 Dennisteel Corp. Ltd.

Business — Owns and operates modern plant in London, Ont., manufacturing bronze, brass, copper, steel and wrought iron goods, link fences, wire cages, steel lockers, shelving, cabinets, etc.

Capitalization—	Author.	To be Outstanding
Preference, $10 par	$100,000	$60,000
Common, n.p.v.	50,000 shs.	20,005 shs.

Preference—7 per cent non-cumulative dividend, voting, redeemable at $10.50.

Purpose of Issue—Proceeds will be used to meet purchase payment and to provide working capital.

Offering—At $10 a share, with a bonus of one share of common with each preference share, by N. A. Mitchell & Co. Ltd., London.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Mt. Royal Tunnel	5%	1970	Apr. 15	100
Mtl. Pr. Cons. A.	5%	1951	Apr. 1	104
Paton Mfg.	6%	1953	May 1	103
Wabasso Cotton.	6%	1947	May 1	110
St. Maur. Vall. Cot.	6%	1952	May 1	105
Shaw. Cotton	6%	1949	May 1	105
Wabasso Cotton.	7%	1942	May 1	110
Ontario Steel	6%	1943	July 1	110
Ritchie & Ramsay	7%	1944	Apr. 1	105
St. Mary's Cement	‡6%	1942	May 1	103
Wpg. Electric	*5%	1935	Mar. 31	100
Burrard D. Dock	5%	Ser.	Apr. 9	105
Shawinigan, "C"	5%	1970	Apr. 15	105
B. A. Oil	5%	1945	May 29	103
Robt. Simpson	5%	1952	July 1	105
Imperial Realty	6%	1945	July 1	102

‡$31,500 for sinking fund purposes.
*As at Dec. 31, 1934, bonds outstanding amounted to $2,917,000.

Stock Issues:	Rate	Stock	Date	Price
G. Tamblyn†	7%	Pref.	Apr. 1	110
Cosmos, Imp.	7%	Pref.	Apr. 1	105
Geo. Weston	7%	Pref.	May 1	110

†$150,000 drawn by lot for sinking fund purposes.

Toronto's 1936 Tax Rate Struck at 34.85 Mills

Toronto's 1936 tax rate has been struck at 34.85 mills, the highest in the city's history. Despite the increase in the rate from 34.15 in 1935, the net levy at $32,333,301 is $486,793 lower than last year.

The total budget upon which the tax rate is based estimates expenditures at $40,134,765, compared with total expenditures of $39,214,250 in 1935, or an increase of $920,515.

Moratorium Legislation To Be Extended in Ontario

A bill extending the Mortgagors and Purchasers Relief Act has been introduced into the Ontario legislatures. Attorney-general A. Roebuck intimated that minor amendments to the Act may be considered.

The moratorium law provides certain methods of relief in cases of threatened foreclosure. First enacted in 1933, it has been extended annually since.

We Offer:

100,000
CANADIAN NORTHERN RAILWAY COMPANY
(GUARANTEED BY THE DOMINION OF CANADA)
6½% BONDS
MATURING JULY 1, 1946
NON CALLABLE
PAYABLE IN NEW YORK FUNDS ONLY
PRICE AT MARKET TO YIELD ABOUT 3.35%

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL 25 KING STREET WEST WINNIPEG
TORONTO, CANADA
TELEPHONE: ELGIN 2236

Foreign Exchange

Foreign exchange markets apparently have quite recovered from the flurry following German occupation of the Rhineland, but trading is largely restricted and although serious consequences from European developments are believed less likely, a note of caution is still evident in market operations.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 23
U. S. dollar, High	.5906	1.00 1/16	1.00 3/32	1.00 3/32	1.00 1/32	1.00 3/16	1.00 3/16
Low	.5906	1.00 1/32	1.00 1/16	1.00 1/16	1.00 1/16	1.00¼	1.00¼
1935, High	.5906	1.01 5/32	1.01¼	1.01¼	1.01 5/32	1.00 13/16	1.00 13/16
Low	.5906	1.00	1.00 13/16	1.00	1.01 1/16	1.00¾	1.00⅝
U. K. pound	4.8665	4.97¼	4.97¾	4.97⅜	4.97⅜	4.97	4.97⅜
Argentina	.4246	.2762	.2763	.2763	.2767	.2768	.2763
Australia	4.8665	3.9725	3.9737	3.9727	3.9720	3.9712	.....
Austria	.1407	.1896	.1897	.1894	.1895	.1895	.1890
Belgium	.1392	.1699	.1700	.1699	.1699	.1698	.1698
Brazil	.1963	.0575	.0571	.0575	.0576	.0571	.0571½
Czechoslovakia	.0296	.0417¼	.0417⅝	.0417¼	.0418	.0417¼	.0416
Denmark	.2680	.2221	.2224	.2221	.2221	.2220	.2220
France	.0392	.0664½	.0665	.0664	.0663¼	.0663⅜	.0663½
Germany	.2382	.4051	.4055	.4052	.4058	.4054	.4049
Greece	.013	.0095¼	.0095⅜	.0095¼	.0095½	.0095½	.0095¼
Holland	.4020	.6847	.6851	.6845	.6844	.6841	.6843
Hungary	.1749	.2975	.2978	.2977	.2981	.2977	.2973
India	.3650	.3763	.3766	.3763	.3765	.3763	.3762
Japan	.4985	.2900	.2903	.2902	.2901	.2897	.2898
Jugoslavia	.1929	.0231½	.0231¾	.0231½	.0232	.0231½	.0231
New Zealand	4.8665	4.0125	4.0138	4.0128	4.0120	4.0112	.....
Norway	.2680	.2500	.2503	.2501	.2500	.2499	.2500
Poland	.1122	.1907	.1906	.1904	.1905	.1904	.1903
South Africa	4.8666	4.9507	4.9522	4.9510	4.9500	4.9491	.....
Spain	.1929	.1377	.1378	.1376	.1375	.1375	.1375
Sweden	.2680	.2565	.2568	.2566	.2565	.2564	.2565
Switzerland	.1930	.3286	.3290	.3286	.3285	.3283	.3284
Hong Kong	.5422	.3305	.3309	.3317	.3312	.3313	.3289

B-A OIL

We have prepared a letter describing the operations of this company in Oklahoma, based on an inspection made by one of our partners. A copy will be mailed on request.

HAMBLY, PEAKER & TRENT
Members
THE TORONTO STOCK EXCHANGE
DOMINION BANK BLDG. TORONTO
EL. 3294

The hat you deserve!

The beautifully mellow and luxuriously fitted "Royal Stetson" is the hat you deserve to mark your progress on the road to success!

Come in and try on a hat you'll take pride in owning.

The Royal Stetson

TEN DOLLARS
OTHER STETSONS $6 up
MADE IN CANADA

CALHOUN THE HATTER
97 Yonge Street
Toronto's only exclusive hat store.
Branch: 437 Yonge St.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Richmond District, B.C.	Mar...	McDermid, Miller & McDermid	5%	1955	$15,000	101.54	4.87%
Kamloops, B.C.	Mar...	Wood, Gundy & Co.	4%	....	26,000	98.00	.....
Kitchener, Ont.	Mar...	Dominion Bank	3%	5-ins.	90,000	104.53	2.25%
			3½%	10-ins.	60,000	102.01	2.6%
Wentworth, Ont.	Mar...	Nesbitt, Thomson & Co.	3½%	10-ser.	125,331	101.79	3.15%
Oxford County, Ont.	Mar...	McLeod, Young, Weir & Co.	2%	Dec. '36	100,000	....	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
R. C. Diocese of London	Mar...	A. E. Ames & Co., Midland Securities	4%	1954	$964,000	100	4%
British American Oil	Mar...	A. E. Ames & Co., and Syndicate	2½ & 3%	1937-44	4,000,000	100	...
Winnipeg Electric Co.	Mar...	Nesbitt, Thomson & Co., and Syndicate	4½%	1960	3,500,000	101½	4.40%
Stock Issues—							
Dennisteel Corp.	Mar...	N. A. Mitchell & Co. (With bonus of one share of common with each preferred share)	7%	Pref.	$60,000	$10	.....

Bond Sales

County of Wentworth

County of Wentworth, Ont., has sold $125,3311 of 10-year 3½ per cent serial bonds to Nesbitt, Thomson & Co. at $101.79, a cost basis to the county of about 3.15 per cent. Bids were:

	Bids
Nesbitt, Thomson & Co.	101.79
Canadian Bank of Commerce	101.50
Dyment, Anderson & Co.	101.234
J. L. Graham & Co.	100.525
A. E. Ames & Co.	100.38
J. S. Forgie & Co.	100.22
Wood, Gundy & Co.	99.66
Griffis, Fairclough & Norsworthy	99.57
Harrison & Co.	99.27
Frank L. Craig	99.23
Dominion Securities Corp.	97.279

Kamloops

Kamloops, B.C., has given an option to Wood, Gundy & Co. on $26,000 of four per cent debentures, the price being 98. Proceeds of the issue are to be used for rehabilitation of the waterworks system.

Kitchener

City of Kitchener has sold $90,000 of three per cent five-installment bonds and $60,000 of 3½ per cent 10 installment bonds to the Dominion Bank at an average price of 103.018. The three per cent debentures were sold at 104.53 to yield 2.25 per cent and the 3½ per cent debentures at 102.01 to yield 2.6 per cent. Average bids were as follows:

	Bids
Dominion Bank	103.018
Dominion Securities Corp.	101.979
Waterloo Bond Corp.	101.925
Bartlett, Cayley & Co.	101.14
Dyment, Anderson & Co.	101.07
McTaggart, Hannaford, Birks & Gordon	100.973
Nesbitt, Thomson & Co.	100.96
Harrison & Co.	100.88
A. E. Ames & Co.	100.60
Seagram, Harris & Bricker	100.40
Frank L. Craig, Toronto	100.312
J. S. Forgie, Ltd.	100.21
McLeod, Young, Weir & Co.	100.18
Griffis, Fairclough & Norsworthy	100.17
Mills, Spence & Co.	100.024
C. H. Burgess & Co.	99.26
Wood, Gundy & Co.	99.26

TENDERS FOR BONDS

TENDERS addressed to the undersigned at the City Hall, Sydney, Nova Scotia, will be received up to Five o'clock, p.m., Tuesday, March 31st, 1936, for purchase of following 4½ per cent Sinking Fund Debentures:—

$ 33,000.00	Maturing	Oct. 1st, 1950
33,000.00	"	Dec. 1st, 1950
33,000.00	"	Mar. 1st, 1951
50,000.00	"	Apr. 1st, 1951
25,000.00	"	Sept. 1st, 1951
25,000.00	"	July 2nd, 1952
15,000.00	"	Mar. 1st, 1953
$214,000.00		

These Bonds are in denominations of $1,000.00 and are dated eighteen years prior to Maturity Date. A Sinking Fund of 4 per cent has been established to date. Funds Canadian, Bonds and Coupons payable at par at the Royal Bank of Canada, Halifax and Sydney.

Payment of Principal and accrued Interest to date of delivery will be required in Halifax Funds. Any further particulars desired will be furnished upon application. Highest or any tender not necessarily accepted.

Dated at Sydney, N.S., this 20th day of March, 1936.

D. J. O'CONNELL,
City Treasurer.

$1130* never bought so much!

"I'm glad you like it. I looked at them all before I made up my mind."

HUDSON SUPER STRAIGHT EIGHT

Have you noticed the number of new Hudson Eights in town? Heard the talk about Hudson's great 1936 success? There's a reason. More and more people are comparing other Eights with Hudson : : : and other retail-at-factory prices with Hudson's $1130!*

It's a case of "love at first sight" with many of these buyers. They agree that Hudson is a year or more ahead of the rest in style. They like its distinctive new radiator. Its extra-deep "V-type" windshield. The unbroken sweep of its lines. *Modern* style : : : without a single radical touch.

More Room for *Less* Money

They're comparing *size* : : : carefully. Learning that even in Eights costing hundreds of dollars more, they can't get a wheelbase as long as Hudson's : : : with the extra inches of shoulder, leg and head room that Hudson gives them.

They want to know just how much power their money buys. They find that 105 horsepower is the "top" in all Eights within $200 above the Hudson price : : : compared with 113 to 124 horsepower in a Hudson Eight. And they know there isn't a stock car built today that can match Hudson's silken *smoothness* and all-around performance.

Economy? Here's the *Proof!*

They are asking about economy and endurance. And again Hudson gives them *facts.* The record of a Hudson Eight, carrying three passengers and their luggage, in the recent 352-mile Los Angeles-Yosemite Economy Run : : : 22.86 miles per U.S. gallon, *officially certified.* And the records of owners who show 150,000, 200,000 miles and up, at amazingly low upkeep cost.

So on : : : through the long list of features : : : comparison is wholly in Hudson's favour.

Bodies all of steel with solid seamless steel roof. Duo-Automatic Hydraulic Brakes (patent applied for). The Electric Hand, optional at small extra cost. Radial Safety Control (patent applied for). Tru-Line Steering. The Rhythmic Ride. *Level* rear floor. Most complete and costliest ventilating system. Biggest baggage compartment any car ever had.

These are some of the *extra* values you find in a Hudson Eight. Discover them for yourself : : : by comparison with other Eights : : : and behind the wheel on the road.

HUDSON MOTORS OF CANADA, LIMITED
Tilbury, Ontario

*Hudson Eight prices begin at $1130 and Hudson Six prices at $1078, retail at factory, Tilbury, Ont., freight and license only extra : : : 93 or 100 horse power in Sixes : : : 113 or 124 horse power in Eights. Longer wheelbases : : : up to 127 inches.

Save . . . with the new Hudson 7% Plan

74.3% OF ALL HUDSON-BUILT CARS EVER SOLD IN CANADA ARE STILL IN USE

R. P. BARRETT & CO.
announce the change of
their firm name to

BARRETT, McCULLAGH & CO.
MEMBERS THE TORONTO STOCK EXCHANGE
R. P. BARRETT C. G. McCULLAGH

Northern Ontario Building
330 Bay Street
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Hamilton Office:
Sun Life Building
Regent 6900

The Financial Post

Member Audit Bureau of Circulations

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

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Directory of Canadian Directors and Officials, Yearly, $10.

TORONTO, MARCH 28, 1936

Should Go to England

A MUCH abused device by which petty politicians get their names in the newspapers is to criticize "joy rides" taken by cabinet ministers, mayors, etc.

The sum total of travelling expenses paid out of the Dominion treasury in the last fiscal year was just under $2,900,000, which seems a great deal of money, but it is unlikely that any private business doing a business in excess of $400,000,000 could operate on a much smaller amount.

"Joy riding" there is at the public expense but not as much as is popularly supposed. And there are directions in which further expenditures for travelling would be profitable. It would be worth while for Hon. J. L. Ilsley, Minister of National Revenue, to visit England this summer after Parliament prorogues. He should take along his customs deputy Hugh D. Scully.

There is in Britain a very general feeling that the Canadian customs officials have endeavored to administer the preferential tariff in a manner to rob British exporters of advantages to which they were entitled under the Ottawa agreements. Last summer the chairman of the tariff board, Hon. George Sedgewick, visited England and was able to clear up many misconceptions. Mr. Ilsley and Mr. Scully could straighten out with British exporters many other tangles that have produced irritation in the Old Country.

The Ottawa agreements will soon be up for renewal and Canada's treatment of British exporters will be a subject for criticism from British officials. The complaints ought to be disposed of before the renewal negotiations get under way next fall or winter.

Parliamentary Decorum

A VOTE of censure on a member of a legislature, when passed by a strictly party vote, may not be of much significance. The premier of Ontario had such a vote passed to reprimand a member of the opposition who was accused of having used rather unseemly language in reference to another member of the house. The reprimanded member hotly denied the accusation. It is customary in parliamentary bodies to accept the word of a member but the premier thought his hearing was better than the member's memory or veracity. Ontario has no stenographic record of debates to rely upon as an independent witness of what is said in debates.

To The Financial Post the incident is striking evidence of the pertinence of a recent editorial we published in which we referred to the utter lack of decorum and dignity in the legislature of Ontario. In that editorial we expressed some doubt as to whether the legislature even had a speaker and while the published votes and proceedings often mention such an individual, there is little evidence that he is doing much to introduce parliamentary methods into the House. It was the day after the supposed use of the indecent language that the premier moved his vote of censure. But where was the speaker when the words were used—if they were used?

The truth of the matter is that if members of both parties and if the officers of the house would introduce a little more common courtesy into the proceedings of Ontario's law-making assembly there would be no need for such disgraceful incidents as the one that occurred last week. The House of Commons at Ottawa seems to be able to conduct very keen debates without ill-temper, vulgarity or discourtesy. There the Prime Minister and the Leader of the Opposition at all times assume some responsibility for assisting the Speaker in maintaining decorum. Why can it not be so in Ontario?

It Is Revolution

A MOOSE JAW lawyer, J. W. Corman, spoke before the people's forum of his city recently. His subject was public debt. He wanted debts pared down, whether voluntarily or by forced conversion. Coercion was present in every debt conversion scheme, he argued, and asked that too much attention not be paid to talk of repudiation. The cry was raised merely to "stampede the people." Ethical considerations, best illustrated by the term "sanctity of contract," were no longer valid objections in his opinion.

The address leads a Moose Jaw business man to ask The Financial Post, "Where are we going?" The Financial Post believes the world will not quickly move away from its present beliefs in regard to contracts and the desirability of having those who sign a bargain endeavor to carry it out.

Every century makes its own ethical standards. In the next "fin de siècle" there may be good humored jeers for our present concepts of honesty and sincerity at sticking to a bargain. Our current economic civilization rests upon a number of ideas, of which the right to contract and the right to pledge one's credit are two of the most important. If we destroy these privileges we must profoundly affect our economic system, possibly destroy it in favor of some other system. What the Moose Jaw lawyer preaches is revolutionary. The important point is this: is he ready to accept the consequences? And has he an alternative system of social organization to offer?

Mr. Roebuck Inaccurate

IT MAY be difficult for the ordinary citizen to make up his mind about the merits of the power contract repudiation in Ontario. And one reason is that the lengthy statements made by Ontario's guardian of justice, Hon. Arthur W. Roebuck, cannot be accepted as entirely accurate.

To illustrate: discussing Beauharnois power, Mr. Roebuck said that in addition to refusing any concession on future power requirements the Beauharnois company reserved its rights in connection with the former cancelled contract. "In other words, its offer was to sell power and sue at the same time."

The company has now made public the letter it wrote the commission, when it offered to accept a revised contract. The letter states in the simplest possible language that Beauharnois would supply power "on the same terms and conditions as the Gatineau Company" offer, which was accepted by the commission. And it adds that the offer "until accepted" was without prejudice to any rights under the former contract.

In other words, Mr. Roebuck's statement that Beauharnois's offer was both to sell and sue was inaccurate, which can be said of much of his two day harangue on the power repudiation matter.

Where Justice Is Ignored

AN AMERICAN senator, Hugo Black, writes an article in the February issue of Harper's Magazine on senatorial investigations. He defends them and rather revels in the fact that they cause discomfiture to business men and others who are investigated.

Senatorial investigations in the United States are little different from Star Chamber enquiries in Canada, such as the Price Spreads probe. What Walter Lippmann says in the New York Herald-Tribune by way of reply to Senator Black could be said of some Parliamentarian investigations that we have had in Canada.

> "In the first place, these committees act both as prosecutor and judge. They put men on trial, their reputations, their fortunes, their careers being at stake. To these men they deny the right to know in advance what the charge is. They deny them the right to be represented by counsel. They deny them the right to call their own witnesses. They deny them the right to cross-examine their accusers. They try them before a jury consisting of the newspaper-reading public, a jury which never hears all the evidence and does not see the witnesses face to face, a jury unable, therefore, to judge the credibility of the witnesses and the weight of the evidence. There is no procedure. There are no rules of evidence. There is no court of appeal which can review the trial."

The Parliamentary probe is a useful arm of Government. It does disclose grave scandals and occasionally points the way to remedies for dangerous situations. But the current tendency of both United States and Canada to regard them as one-sided trials in which fair play has no part is a menace to the spirit of justice in our public institutions.

Canada at the Fair

THE Canadian Government has decided to participate in a generous way in the Johannesburg Empire Exhibition this summer. This was a wise decision. South Africa is a good market for Canada and a particularly prosperous one at the moment. Government revenues are increasing. Railroad revenues are establishing all-time records. Gold mining remains at its peak. Building activity shows few signs of abating. Motor car registration is increasing. The farmers realized an increased price for their wool this year. There was a good maize crop and a bumper wheat crop. Exports show a substantial increase and there is promise that imports this year will be 15 per cent over last year's high figure.

Participation by the Canadian government, is, of course, not enough. Those Canadian manufacturers who are in a position to do business in South Africa should back up the government by displaying their wares at the Exhibition. Canada stands high with the people of South Africa, and there is an excellent opportunity for the interchange of products. The Empress of Britain calls at Cape Town on its world cruises, and it is a matter in which Canadians can take some pride that the largest ship to enter South African waters carries the house flag of a great Canadian company.

Competing With Low Taxes

FLORIDA has no bonded debt. It levies no state income tax and no inheritance tax. There is a moderate tax on real estate with large exemptions. There is a tax on intangible properties. A $1,000 bond would pay a tax of 2½ cents a year.

New residents are pouring into Florida to establish legal residence there, a simple enough formality that does not require year round domicile.

There are other very attractive low-tax areas in the world where wealthy men are taking up residence, either for the full year, or for periods sufficient to establish a domicile for tax purposes. Included are salubrious Nassau, beautiful Bermuda, the Channel Isles, etc.

Most governments are now engaged in a competition to tax wealth out of existence. They are simply playing into the hands of the shrewder governments that are indulging in another type of competition, that of attracting wealth through low taxes.

Venezuela; Country Without Debt

NO COMMENT can add to the interest awakened by the following item taken from a report by The Royal Bank of Canada:

> "The financial position of the Venezuelan government continued stable during 1935. On June 1, Congress approved a plan for the redemption of the internal debt of approximately 12.5 million bolivares. Upon the completion of these payments Venezuela will have no public debt whatsoever, since the external debt was paid off in 1930, to commemorate the centenary of Simon Bolivar. The 1925-36 budget, as approved by Congress, was balanced."

Venezuela apparently did not suffer from this process of eliminating her debt rather than borrowing more as most countries do for great public works. In the 27 years of practically continuous rule of President Juan Vicente Gomez, who died on December 28, a system of automobile highways was established throughout the country. He completely paid off the external and internal debt and left a cash balance in the treasury of $30 millions. According to the Royal Bank, General Gomez in these years "completed the rehabilitation of Venezuela."

No doubt taxes on the petroleum industry helped this desirable consummation. In 1935 Venezuelan output was 149.7 million barrels, a gain of 5 per cent over 1934 total.

Post-Scripts

Regulating Snowmobiles

BILL 72 of the second session of the eighth legislature of Saskatchewan is an act to amend the Vehicles Act, 1935, and includes this section:

> "The lower half of the circle through which the propeller of a snowmobile or snowplane passes shall be enclosed by means of a guard with wire screen having a mesh of not more than one inch.
>
> "The front of the guard may be hinged or detachable but shall be in place at all times when the propeller is in motion."

All of which shows how the law must grow with the age and the snow. What we wonder about, however, is whether there are to be snowmobile police to apprehend bare-propellered snowspeedsters.

* * *

To a Gold Mine Owner

MATERIAL evidence that Canada's mining people are not unknown outside the country is to be seen in a letter recently delivered at the Montreal Office of The Financial Post. The envelope carried nine German stamps of small denomination, each bearing a reproduction of the late Marshal Hindenburg's picture. In the limited space not occupied by the stamps was the following wording:

Canadian Millionaire and
Gold Mine Owner
Duncan Macmartin, Esquire
c/o The Financial Post,
Toronto or Montreal,
Canada.
Kindly Forward

No doubt the address on the envelope intrigued Duncan Macmartin, whose father was closely identified with the founding of Hollinger, but he must have been even more impressed by the note on the back of the envelope:

"I have put on small values (stamps) perhaps you are a collector."

Sayings of the Week

"Equal armaments do not ensure equal security."—*Norman H. Davis.*

* * *

"Prophets in radio usually fall short of their prophecies."—*David Sarnoff.*

* * *

"Sometimes when you are kicked you are kicked upstairs."—*Bruce Barton.*

* * *

"The constitution of the United States can't lose. It has won."—*Alfred E. Smith.*

* * *

"Canada has the worst broadcasting system in the world."—*John Goss, London baritone.*

* * *

"I don't care whose ox is gored. Let the chips fall where they may."—*Mayor McBride, Toronto.*

* * *

"Unbending aggressiveness betokens abnormality, which is a form of madness."—*The Bishop of Truro.*

* * *

"We will never, in this country, tolerate any law that provides shackles for our people."—*Alfred E. Smith.*

* * *

"We have to face the eternal paradox that laws are made by people notoriously incompetent for their task."—*Lord Tweedsmuir.*

* * *

"I regard the newspapers on the whole as the most effective adult educational influence in the United States."—*Robert A. Millikan.*

* * *

"It doesn't matter what you print. The people love me, no matter what you say I say."—*George Bernard Shaw, talking to a reporter.*

* * *

"It is dangerous to denounce your opponent as dumb. It creates a fellow feeling between him and a great many voters."—*Frank R. Kent, in the Baltimore Sun.*

* * *

"I do not believe the American people can be bribed into giving over their individual lives into the care of other men."—*John W. Davis, former Democratic nominee for U. S. presidency.*

* * *

"Creation of a great and cancerous bureaucracy is no substitute for private judgment and initiative, nor a cure for its mistakes."—*John W. Davis, former Democratic nominee for U. S. presidency.*

* * *

"No man thinks sanely when his self-esteem has suffered a mortal wound, and those who deliberately humiliate a nation have only themselves to thank if it becomes a nation of lunatics."—*Bertrand Russell.*

* * *

"We Americans have a Chinese political philosophy. There it is an accepted view to enter politics for all the self gain you can get out of it, then retire to do some lofty thinking."—*Walter B. Pitkin, author and teacher.*

* * *

"Everywhere and always the history of inflation, continued to its logical conclusion, has been to reduce real wages, real savings, and to bring about a condition very much worse than the condition it was designed to cure."—*Hon. Charles Dunning, Federal Minister of Finance.*

New Books

Science No Laggard In Changing World

Men of Test Tubes March Too Fast for Social Mind But Are Still Distant from Goal

THE NEXT HUNDRED YEARS: The Unfinished Business of Science. By C. C. Furnas. Published by McClelland & Stewart, Toronto. Price $3.

Even barber shop economists are coming to realize that the impact of science upon our social and political world is a force to be reckoned with. As long as men of insatiable curiosity work with microscopes and test tubes, and as long as half crazy inventors stumble on major discoveries, this will be a constantly progressing but never a stable world. Science is something that refuses to be regimented. Its pace is fast and its stride longer than that of other elements in society. It is always marching furiously ahead while economists, sociologists, politicians and business men smile, jeer or frown at it and lag lazily behind.

What science has already accomplished is superficially understood by most people. Even the front pages of the daily newspapers report the accomplishments of the men of research, although often in a misleading manner. The job that science has ahead of it is less understood and less discussed. It is undertaken by Mr. Furnas in this volume, and a more fascinating, informative and stimulating book has not been written in recent years.

Mr. Furnas is associate professor of Chemical Engineering at Yale University. He has done a great deal of writing for the scientific journals. Fortunately, this writing has not taken the facility and humor out of his style. "The Next Hundred Years" can be read by any school boy and enjoyed even by the tired business man. What's more, it should be read by every school boy and by every tired business man.

In dexterous fashion the author has taken 10,000 up-to-the-minute facts about science, any one interesting in and of itself, and woven them all together in a provocative volume of prodigious pattern. He does not content himself with merely telling us that our electric lighting is less than two per cent efficient and our motor cars only eight per cent efficient; that there is more gold in a few square miles of ocean than in the U. S. treasury; that agriculture is the most inefficient industry in the world; but he shows the meaning of these facts. He presents not only the challenge that they offer to science, but the significance they have for sociologists and politicians.

He has the physical scientist's impatience with the sociologists and the politicians who lag behind the procession. He has no sympathy with the proponents of science holidays, and makes it clear that they have no realization of how much there is yet to be done.

Mr. Furnas claims to be an expert in no one of the sciences. He deals first with biology, and the reader begins to believe that biology is the key to all the sciences. By the time this idea is fixed in his mind, Mr. Furnas shows that biology leans upon chemistry, and his study of chemistry leads to physics. But biologists, chemists and physicists all must rely upon the engineer to make their discoveries available to the world and so engineering has its section of the book.

Witty and critical, "The Next Hundred Years" is a volume that ought not to be overlooked by anyone except those who do not wish their fixed concepts of the world to be rudely disturbed. It is a Book-of-the-Month Club selection.

THE RED NETWORK. By Elizabeth Dilling. Published by the author, 53 West Jackson Boulevard, Chicago. Price $1.

When Mrs. Dilling set herself the task of compiling a Who's Who of American Reds, her first difficulty was to define a Red. In publishing her volume, which she calls a "Handbook of Radicalism for Patriots," she took no chances of leaving anyone out. Many individuals who would be amused at being labelled as radicals are included because they may at some time have been connected with some organization with which persons suspected of having Communist or Socialist sympathies were also connected. The Foreign Policy Association is included as a radical organization because it once recommended a Communist book. John F. Sinclair is included as a Red, which must make this personal friend of Wall Street's biggest potentates smile. Most of Roosevelt's cabinets are Red and of course very few of the brain trusters are left out.

Thus, some of the material in this volume must be taken with a grain of salt. But so taken, it is a very valuable record of the activities of both subversive agents of the world revolution and dreamy parlor pinks.

Mrs. Dilling lists a great many organizations in the United States that carry on propaganda in favor of Communism, Socialism, Atheism, etc. She likewise lists several hundred individuals who have at one time or another been connected with these organizations, and gives their records. She intends this as a black list for patriotic societies to use in their work, but already some of the Radicals are letting it be known that they consider inclusion in the book to be something of a compliment.

Most of the records speak for themselves, and as they have been carefully checked and may be regarded as accurate, the volume becomes an invaluable reference work on various radicals. For instance, if some of the business men who are now promoting a tour of Sherwood Eddy in Canada were to read his record in this volume and learn of his activities in promoting Communist ideas in the United States and elsewhere, they would be shocked and would probably withdraw their support.

Mrs. Dilling is a Chicago patriot whose perfervid adherence to orthodox social and economic ideas is equalled only by her assiduous attention to detail in digging up the records of those whom she considers enemies of the state and the present social system.

Although the volume is to be criticized for its inability to determine where to draw the line between a Red and a non-Red, it is a most useful work of reference concerning radical organizations and those connected with them.

As Others See Us

Canada—The Next Five Years

Pembroke Standard-Observer

Under the above caption The Financial Post, Toronto, is running a series of contributions from very well-known public men, and what Sir Edward Beatty, president of the C.P.R., said last week commands attention. Here are some pithy sentences, which we quote.

"It is not a platitude to say that the cure for unemployment is for men and women to go to work."

"Everyone should realize that public debt is merely another form of private debt."

"The time for public borrowing is past, the time is here for living within our income."

"No argument is good enough to justify, in these days, any increase in public expenditure."

No exception whatever will be taken to any of these statements for they are axiomatic truths, so plain that they cannot be questioned.

Well, every time that the president of the C.P.R. talks he says something, and something worth while.

Socialist Party

Wolseley, Sask., News

The Financial Post, organ of big business opinion in Canada, reviewing the House of Commons, picks out the C.C.F. group in the February 22 issue, for comment. It outshines all others in debating strength and general ability, says this paper. The paper believes, however, that the C.C.F. cannot make farmers and workers unite. The Reconstruction Party is in eclipse. There is no mention of Social Credit.

Of the C.C.F. the paper says: "In debating strength and general ability this handful of members outshines any other party . . . Opening speeches by the C.C.F.'s indicate plainly that the party has made its choice and is now well on the way to be Canada's first outright socialist party."

Editor's Note.—The Post blushes but declines nomination as the "organ of big business."

Other People's Views

Taxes, Taxes, Taxes

New York Herald-Tribune

Being governed is an expensive proposition, according to figures compiled by Gilbert H. Montague, New York attorney, who finds that the total of Federal, state and local taxes throughout the United States increased from $23.49 per capita of population in 1913 to $49.83 in 1930, an increase of 112 per cent, and from $2,259,000,000 in 1913 to $10,277,000,000 in 1935, an increase of 355 per cent. One large industrial corporation's annual taxes increased from 27.6 cents a share in 1932 to 79.4 cents in 1934, and its taxes per annum per employee were up from $109.73 in 1931 to $211.45 in 1935, despite a 60 per cent increase in the number of its employees. Last year's taxes of a number of prosperous American industrial companies equalled more than 100 per cent of their dividends and more than 150 per cent of their net profits. One company paid more than 300 per cent of its dividends in taxes and nearly 400 per cent of its profits.

They Were Wrong

Montreal Gazette

It now develops that the Hepburn Government was legally advised that no sanctity of contract clause had been written into the constitution of Ontario. Perhaps the writers took it for granted that such a clause was unnecessary in the case of Canada's banner province

In the Mail

On Being Non-Political

Editor, The Financial Post:

I see by the label on my paper that my subscription is due. Please cancel. You are too partisan. It is all King and Hepburn. I never saw, in all the time I have been a subscriber, anything favorable to the Conservative side of politics. You are supposed to be independent. I cannot see it. You are a straight out-and-out Liberal organ. In your latest edition, "Hepburn and balanced budget"!! How about repudiation, Hepburn, as well as Aberhart?

J. D. McPHEE.

Port McNicoll.

Editor's Note: That The Financial Post has refrained from criticizing Mr. Hepburn, Mr. Pattullo and other Liberal politicians will be news to those gentlemen. We regret to lose Dr. McPhee as a subscriber just as we regret to lose the subscription of the occasional Liberal who accuses us of being hopelessly Conservative in our bias. Last year one man stopped reading The Post because we had turned Socialist and radical and in the same week another reader dropped out because our views were those of the exploiting "big interests."

Stop Me If You've Heard This One

"I want to see your beauty editor," said the caller at the sanctum of the daily paper.

"Are you following her advice?"

"I am."

"Got confidence in her?"

"I have."

"Then you don't want to see her."

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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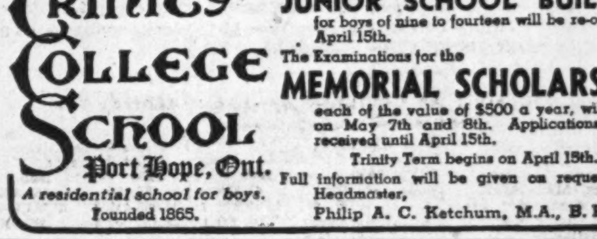

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Week in Business

Navigation Opening Has Favorable Omens

Outlook for Cattle and Grain Export Brighter — British Columbia Fares Best in Business Gains to Date

Last week, east-end citizens of Montreal saw the 3,000-ton icebreaker N. B. McLean smash her way through the last five-mile stretch of river ice to reach the Island of Montreal a week earlier than last year and two days short of the record early opening of navigation from Quebec to Montreal.

Special interest attaches to the opening this year since Canada starts the 1936 season with navigation prospects brighter than for many years. Already foreign trade figures for the first two months of the year are substantially ahead of 1935 and the outlook for cattle and grain export is especially favorable.

In the field of services, Canadian ports will see several new lines operating this year including new services to Australia, South America, Mediterranean and Europe. Passenger traffic is also expected to be the best in many years.

* * *

Looking at business activity so far this year, the best showing is in British Columbia, which reported a gain of almost 10 per cent in February compared with the same month a year ago. All of Canada's five economic areas showed improvement in that month though the gain was most marked in the West and only fractional in the Maritime provinces. An important factor in the gain was the considerable improvement in bank debits. Employment indices were stronger in both the prairie provinces and in the Maritimes.

Flood conditions and blizzards took a further toll during the past week, crippling trade in parts of Ontario and in the Maritimes. One obvious result of the severe weather in February and its aftermath in March is to create a substantial market for road-building materials to repair heavy damage done.

* * *

In the United States, the mark-up in steel prices is said to be chiefly responsible for a marked increase in output (to 60 per cent of capacity) although increased business is expected from automotive, construction and other lines when anticipated spring buying (delayed as yet by bad weather) materializes. Replacement of flood damage will create substantial business in itself.

* * *

According to at least one seasoned Washington commentator last week, the forces making against any extreme inflation in the United States are growing. It is admitted that many grounds for apprehension continue to exist, and that further phases of such apprehension may still appear. There have been four such phases during the life of the present administration, during which anxiety about inflation was acute. Each wave of apprehension died down and was succeeded, as now, by a period of increased confidence. Mueh depends upon the psychology of the administration and Congress, which at the moment seems directed toward reduced borrowing, which means on the one hand decrease of government spending and an increase in what the government takes in.

Business Indicators

Changes of the Week

Favorable

Carloadings for the week of March 14 were slightly ahead of the same week a year ago but failed to maintain the striking advance of the two previous weeks.

Insurance Sales (life) made the best monthly showing in many months with a 6 per cent gain over the same month last year.

Iron and Steel production rose sharply over February, 1935. The Dominion Coal Co. pay roll is around the 8,000 mark and Dominion Iron and Steel Co. average recently was 3,308 men.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1936	1935	—Cumulative Total— Jan. 1 to date 1936	1935
Transportation—				
Car loadings (Mar. 14)	▲43,623	43,358	456,150	468,332
C.N.R. gross earn. (Mar. 14)	$ ▲3,370,391	$ 3,135,870	$ 32,083,452	$ 30,782,934
C.P.R. gross earn. (Mar. 14)	$ ▲2,641,000	$ 2,203,000	$ 23,657,000	$ 21,367,000
Business Conditions—				
Weekly index D.B.S. (Mar. 14)	▲107.6	99.3	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (Feb.)	▲106.6	96.3	......	......
Transportation—				
C.P.R. net earnings (Jan.)	$ 612,572	$ 204,313	......	......
C.N.R. net revenue (Jan.)	$ ‡576,330	$ ‡746,353	......	......
Iron and Steel (Feb.)—				
Pig iron production (tons)	▲55,751	37,259	117,087	81,675
Steel ingots and castings prod. (tons)	▲93,365	56,006	193,590	115,532
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Jan.)	4,730	2,857	......	......
Factory output (Jan.)	11,370	8,269	......	......
Trucks and Buses:				
Domestic sales* (Jan.)	814	615	......	......
Factory output	2,041	2,338	......	......
Exports (Jan.)	5,082	4,586	......	......
Construction—				
Building permits (Feb.)	$ ▲1,911,884	$ 3,601,637	$ 3,195,600	$ 4,484,515
Contracts awarded (Feb.)	$ 8,227,700	$ 10,672,200	$ 21,838,100	$ 28,892,300
Newsprint (tons)—				
Production (Feb.)	221,569	180,305	449,524	382,264
Exports (Dec., 1935)	277,743	245,135	2,574,987	2,399,606
Sugar (lb.)				
Melting & shipments§ (raw)	20,434,690	20,633,450	41,489,975	37,767,119
Manufactured§	20,769,861	25,678,831	44,814,535	55,480,112
Flour (bbls.)				
Production (Jan.)	981,988	1,024,958	......	......
Wheat flour exports (Feb.)	340,102	309,729	654,413	655,828
Trade (January)—				
Retail trade (index no. of sales)	70.0	69.2	......	......
Imports, (Feb.)	$ ▲41,597,390	$ 37,043,710	$ 82,187,674	$ 74,273,115
Exports (Feb.)	$ ▲60,198,198	$ 47,677,418	$ 114,615,922	$ 92,051,034
Wheat exports (bush.) (Jan.)	7,557,320	5,380,266	......	......
Employment, D.B.S. Index (Feb. 1)—				
All industries	98.4	94.6	......	......
Manufacturing	98.5	90.1	......	......
Electric Power Output (Jan.)—				
Total monthly (000's omitted)	2,091,041	2,012,742	......	......
Aver. daily	67,452,000	71,444,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Jan.)	72,236	75,191	......	......
Boot & shoe prod., pr. (Jan.)	1,153,959	1,329,880	......	......
Crude petrol., imp., gal. (Jan.)	61,131,349	59,948,284	......	......
Cotton imports, lb. (Jan.)	19,939,607	11,068,000	......	......
Raw rubber imp., lb. (Jan.)	3,938,272	5,980,505	......	......
Coal imports, tons (Jan.)	452,678	479,026	......	......
Finance—				
Bank debits (Jan.)†	$ 2,992,068	$ 2,682,050	......	......
Bond sales (Feb.)	$ 138,913,775	$ 25,734,700	$ 272,570,389	$ 44,961,200
Life insurance sales (Feb.)	$ ▲30,474,000	$ 28,716,000	$ 64,695,000	$ 61,704,000
Automobile Financing—				
Used cars (Jan.)	$ 974,896	$ 513,076	......	......
New cars (Jan.)	$ 1,035,878	$ 651,272	......	......

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Feb. 22, 1936. ‡Deficit.

What's What In Advertising

By **TORY FLEMING**
Editor, Canadian Advertising

A milestone in a long career in advertising was passed March 24, when John P. Patterson celebrated his 25th anniversary with Norris-Patterson Ltd., Toronto agency. Altogether Mr. Patterson has been connected with one or another form of advertising since 1892, joining what was then Wood-Norris in 1911.

* * *

Bacon Brodie, well known in printing and advertising circles, has been appointed special sales representative of the Charters Publishing Co., with offices in the Northern Ontario Building, Toronto. For many years he has been active in the field, serving for some time as sales manager for Kolster radio.

* * *

Copy for a big spring drive in newspapers by the Paint and Varnish Division of Canadian Industries Ltd. will soon be released by Ronalds Advertising Agency, Toronto.

* * *

Southern Canadian centres have been included in the itinerary of the streamlined train by which the United Drug Co. plans to "bring the convention to the delegates." Leaving Boston Mar. 29 the train will follow a 25,000 mile route through the United States and Canada over a period of eight months, stopping for twenty-four hours at "convention cities." The project is announced as being no sales tour. The "crew" of the train will show dealers how to do business, sessions will be held in the cars themselves and the public will be invited to inspect the entourage, including the four cars of exhibits.

* * *

Canadian Daily Newspapers' Association and the Canadian Press annual meetings will be held in Toronto this year on April 27-30.

* * *

Agencies and advertisers are being bombarded by a series of anonymous circulars attacking the methods of the former. Two have appeared so far, both apparently written by the same author, charging agencies with placing business preponderantly in large circulation dailies and overlooking "second-string" newspapers and other media. Purporting to be "By an Advertiser" the pamphlets do not mince matters in laying charges, but their effect has been largely to arouse comment and speculation in advertising circles as to their source.

* * *

Becoming active once more in advertising after a lapse of several years, the Aetna Life Insurance Co., Toronto, will open a campaign shortly, using magazines and financial papers and directed from the new Toronto office of the Benison Co.

Background of Business

Boost for Ocean Travel Seen in Cruise Figures

Increase in Winter Holidays Regarded as Augury — Western Pick-up — Tomato Costs Accumulate — Lignite and Wool

An important gain in ocean travel is expected this summer, according to William Baird, steamship passenger traffic manager of the C.P.R. Cruise figures, in the opinion of Mr. Baird, are better barometers of the financial condition than general travel statistics, as they do not include many people who travel by necessity but represent holiday travel alone.

West Indies cruisings have jumped 29 per cent this season already, with the season not yet over. Records for 31 voyages against 33 last year up to date show an actual increase of 22.35 per cent, which by the time full comparisons are available will easily reach and possibly pass 30 per cent. The Empress of Australia has sailed with every berth occupied on the three cruises undertaken so far, with indications of the same thing continuing for two additional cruises.

* * *

Tourist Cavalcade

A gain of approximately 10 per cent in the number of tourist automobiles entering Canada from the United States in 1935 is shown in figures issued by the Department of National Revenue, Ottawa.

The major classification is cars admitted for a period not exceeding 48 hours. 1935 figures show a total of 2,633,000—an increase of 11 per cent over the corresponding figure of 1934. Number of tourists entering for 60 days or less totalled 971,000, or a gain of 10 per cent, while cars entering for a period exceeding 60 days and not more than six months totalled 1,128.

The number of Canadian automobiles exported for touring purposes for the same year totalled 659,000—an increase of almost 28 per cent over 1934.

* * *

West Buying Again

Extra money has been coming back into the western agricultural market, and new credits established, says the Winnipeg correspondent of Hardware and Metal.

Retail stocks have been improved, markets have become more stable, and wholesalers report considerable improvement in business.

"There are thousands of farm and rural homes in the three western provinces which are in the market for merchandise as carried by retail hardware merchants. The latter are welcoming the open season of 1936 with confidence, based on improved conditions and an increase in the purchasing power of the people served."

* * *

Pineys Boom

Independent druggists and chain stores in the United States are frightened by the new "Pineys," says Raymond Moley's Today.

Sharp-shooting operators rent a cheap store, put up bare pine shelving (hence the name Pineys), and in these rough and ready shops offer drug store items at prices that bring tears of exasperation to the eyes of the druggists, who have to provide delivery service telephones and stamps, employ licensed pharmacists, keep up a handsome front and have in stock besides the fast-selling popular items the Pineys offer, thousands of drug and sick room supplies that tie up capital for long periods.

"Drug wholesalers and retail druggists blame the manufacturers for the Pineys. They just don't believe the Pineys can get nationally famous brands of cosmetics, tooth paste, shaving creams and medicines without the makers' connivance.

* * *

Tomato Pyramid

How 75 cents worth of tomatoes cost $3 to lay down in Canada is shown in protests being made in Western Canada against excessive duties on fresh fruits and vegetables. One calculation published by Canadian Grocer is that the laid-down cost of a case of tomatoes from California of 35 lb. totalled $3.08, whereas the original invoice price in California was 75 cents. This is how the cost worked out:

Invoice price	$0.75
General, or minimum seasonal duty, 2c. per lb.	.70
Dump duty	.90
Excise tax	.08
Freight charges	.65
Total	$3.08

Incidentally, the dump duty which comprises the largest single item is what is known as an "arbitrary dump," and is not to be construed as a regular dump duty based on the market price for home consumption in the country of origin.

* * *

Lignite Price Cut

Authorization of a cut in the mine head price of domestic coals in the Saskatchewan lignite field has been made by a recent order-in-council of the provincial government. The cut affects only domestic coal being shipped to territory where the freight rate per ton is $2 or more.

One aim of the move is to capture for Saskatchewan lignite a greater share of the Winnipeg domestic fuel market, thereby obtaining more work for miners through greater tonnage.

The order-in-council allows the coal mining companies on domestic business to take up a freight differential on coal going outside the $2 freight area.

A specific example of how this will work in the Winnipeg market is as follows: The freight rate to Winnipeg per ton is $2.30. The minehead price has been fixed at $1.75. The mining companies, under the order-in-council, are being allowed to take the extra 30 cents, over the $2 rate, off the minehead price of $1.75, that is, to sell domestic lignite at $1.45 per ton.

* * *

Tea Prices Rise

Wholesale tea prices were advanced three cents a pound recently according to announcement by Vancouver tea merchants. The increase will go into effect immediately and will affect all grades of tea.

It is expected a further rise will be made in the near future.

The increase is reported due to recent declines in surplus tea stocks at London, tea centre of the world. The primary market price has been advancing steadily for some time.

Dairying in Alberta

Although there was a decrease in output of Alberta dairy products during 1935, improvement in quality and higher price levels resulted in a total value of $14,252,500, only $38,676 less than in 1934.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.65	$6.50	$7.50
Hogs	9.25	9.00	8.65
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1146	.1136	.1120
Rubber lb.	.1606	.16	.1050
Sugar, raw, lb.	.0355	.0355	.0205
Silk, lb.	1.72	1.68	1.35
Wheat (Man.) bus.	.81¼	.83¼	.82⅝
Coffee, lb.	.08¼	.06½	.07⅜
Weekly Indices			
N. Y. Annalist	125.1	124.5	122.1
Fishers'	82.5	82.4	81.0
N. Y. Journal of Comm.	79.3	79.3	77.1
Crumps (Brit.)	68.4	68.1	62.5
U. S. Labor	79.2	79.7	79.4
Canada (D.B.S.)	72.5	72.6	72.1
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Feb.)	80.4	80.7	78.9
W'sale (Feb.)	72.5	72.9	71.9
U. S. Labor (Jan.)	84.4	84.6	82.7
Gt. Brit. (Jan.)	77.2	77.3	72.0

Note: Indices on all base 1926 = 100. British index is Economist converted to 1929 base, U. S. 1929 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Ottawa Budget To Be Delayed

From Our Own Correspondent

OTTAWA.—The pressure of interests—political and business—for tariff changes is delaying the budget.

It has now been stood over until after the Eastern recess (April 8-20) and may well be delayed until May.

Unwise Laws

Revision Urged Of Insurance Tax And Stock Curb

Pertinent comment on the taxation and regulation of life insurance in Canada is made in the current issue of "The Printed Word" as follows:

"Life insurance companies are taxed not only on their profits, but on their premium income, which represents only the savings of the policyholders for their old age or for their dependents. The life insurance companies mobilize the savings of the people; hence they are the largest investors in the country. It is principally due to their activities that business is now able to refinance itself at the lower prevailing rate of interest.

"As the route to prosperity lies in keeping money moving to industry and in the low interest rates resulting from this flow, it seems unwise to us thus to tax policyholders who often as not scrimp and save to provide the stuff which is vital to our commercial expansion.

"Life insurance also affords an instance of the infinite wisdom of the civil service mind. A few years ago, amidst the encircling gloom, our masters figured that as common stocks were no good anyway, insurance companies should not invest more than 15 per cent of their assets in this type of security. Today when the companies most certainly should be buying common shares, the act hampers and restricts their efforts to obtain profits, 99 per cent of which would go to the aforementioned scrimpers and savers for their old age."

THE STEEL COMPANY OF CANADA, LIMITED

Consolidated Balance Sheet, December 31st, 1935

ASSETS

COST OF WORKS owned and operated by the Company		$40,889,329.35	
INVESTMENTS IN AND ADVANCES TO COAL and Ore Mining Companies; and holdings of Company's own Bonds acquired for Bond Sinking Fund		2,479,043.61	$43,368,372.96
CURRENT ASSETS—			
Cash on hand and in Banks		$ 1,840,782.72	
Secured Call Loans and Deposits with Trust Companies		459,698.72	
Dominion of Canada Bonds and Other Securities, (market value December 31st, 1935, $9,507,456.25)		8,565,596.50	
Bills Receivable		88,059.92	
Accounts Receivable, less Reserve		2,911,942.07	
Inventories of Raw Materials, Supplies and Products, as determined and certified by responsible Officials and valued at the lower of cost or market, less Reserve		5,643,791.30	19,509,821.32
SECURITIES SET ASIDE FOR SPECIAL PURPOSES—			
Shares of the Company held in Trust for Employees		$ 117,980.66	
Benefit Plan Fund		613,966.58	
Pension Plan Fund		1,151,276.20	1,883,223.44
DEFERRED CHARGES—			
Taxes, Insurance and other Expenses paid in advance			44,339.84
			$64,805,757.56

LIABILITIES

CAPITAL STOCK— Authorized Issued			
400,000 259,852—7% Cumulative Preference Shares of $25.00 each		$ 6,496,300.00	
600,000 460,000—Ordinary Shares of no par value		11,500,000.00	$17,996,300.00
FUNDED DEBT—			
6% First Mortgage and Collateral Trust Bonds, due July 1st, 1940, Authorized and Issued		$10,000,000.00	
Less Held in Treasury and by Sinking Fund Trustee.		1,204,981.83	
		8,795,018.17	
Less redeemed through Sinking Fund		5,314,621.89	3,480,396.28
CURRENT LIABILITIES—			
Accounts Payable		$ 1,494,486.91	
Provision for Dominion, Provincial and other Taxes		458,799.16	
Unclaimed Dividends		5,146.48	
Dividends payable February 1st, 1936—			
On Preference Shares	$113,685.25		
On Ordinary Shares	856,750.00	970,435.25	2,928,867.80
FUNDS APPROPRIATED—			
Benefit Plan Reserve		$ 613,966.58	
Pension Plan Reserve		1,151,276.20	1,765,242.78
RESERVES—			
Operating Reserves—			
Furnace Relining and Rebuilding, and other Operating Reserves		$ 1,991,161.39	
Contingent Reserve		570,726.99	2,561,888.38
Plant Reserve—			
Depreciation Account			20,989,144.09
Other Reserves—			
For Betterments and Replacements		$ 1,829,674.06	
For Fire Insurance Reserve		200,000.00	2,029,674.06
EARNED SURPLUS as per Balance in Profit and Loss Account			13,054,244.17
			$64,805,757.56

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of The Steel Company of Canada, Limited, for the year ended December 31st, 1935, and report that we have verified the Cash on Hand, Bank Balances and all Securities and have obtained all the information and explanations which we have required, and that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at December 31st, 1935, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

Toronto, Ontario, February 29th, 1936.

Approved on behalf of the Board,
R. H. McMASTER } Directors
H. H. CHAMP

Consolidated Profit and Loss Account

For the Year Ended December 31st, 1935

MANUFACTURING PROFITS after deducting all expenses incident to operations, including Depreciation			$ 2,170,033.17
ADD			
Net Income from Securities		$332,050.15	
Profit from Sale of Securities		94,984.78	427,034.93
			2,597,068.10
LESS Interest on Bonds			211,585.89
NET PROFITS			2,385,482.21
LESS DIVIDENDS			
On Preference Shares @ 7% per Annum		$454,741.00	
On Ordinary Shares:			
At $1.75 per share	$805,000.00		
At $1.42½ per share towards equalizing the dividends heretofore paid on the Ordinary and the Preference Shares of the Company	655,500.00	1,460,500.00	1,915,241.00
			470,241.21
LESS TRANSFERRED (Subject to confirmation by the Shareholders)			
To Benefit Plan Reserve		$100,000.00	
To Pension Plan Reserve		200,000.00	300,000.00
SURPLUS for the year			170,241.21
Balance brought forward December 31st, 1934			12,884,002.96
Balance Profit and Loss Account December 31st, 1935			$13,054,244.17

THE FOLLOWING AMOUNTS HAVE BEEN CHARGED BEFORE DETERMINING THE PROFITS FOR THE YEAR:

Provision for Depreciation	$ 1,443,195.00
Provision for Dominion and Provincial Income Taxes including prior year's adjustment	455,829.22
Directors' Fees	12,600.00
Remuneration of Executive Officers	132,684.00
Legal Expenses	1,070.78

WESTERN HOMES LIMITED

HEAD OFFICE
WINNIPEG, CANADA

MORTGAGE INVESTMENTS

1915 — 1935

21 Years of Progress

	1915	1925	1935
Capital Subscribed	$182,800.00	$2,325,000.00	$2,767,000.00
Capital Paid Up	24,581.53	911,476.97	1,434,939.20
Assets	36,613.93	989,864.12	1,615,755.99
Surplus and Reserve	4,741.62	72,109.13	179,498.46

During the twenty-one years — 1915 to 1935 — shareholders have received dividends totalling $109.00 on each fully paid share

Undivided Profits

NET PROFITS FOR 1935 and surplus brought forward from 1934, total	$69,715.63
Appropriated for dividend paid in 1935, reserve for Income Tax and Life Insurance	$30,217.17
UNDIVIDED PROFITS, December 31, 1935	$39,498.46

ARGUE BROS. LTD. General Agents WINNIPEG

Millions of "Little Savings" Make Up Life Insurance

LIFE INSURANCE ASSETS—large in the aggregate — actually consist of the "little savings" of more than 3,500,000 Canadian policyholders. The great majority of these policyholders are men and women of moderate means, whose thrift often involves personal sacrifice.

Sharing in the protection and financial security of Life Insurance, are people from every walk in life—including thousands upon thousands of wage earners whose savings are necessarily small. That is why Life Insurance is rightly regarded as Canada's greatest co-operative enterprise.

Consider what *your savings* in Life Insurance mean to you and your dependants, in protection and peace-of-mind. Then you can realize what millions of similar savings mean to the people of Canada.

These combined savings in Life Insurance, which total more than Two Billion Dollars, are safely and profitably invested so that every obligation to policyholders and beneficiaries may be promptly and fully met. Day after day, year after year, the "little savings" in Life Insurance accomplish great things in aiding the widows and fatherless—in educating children—in making older men and women financially independent.

Life Insurance

Guardian of Canadian Homes

L-268

Canadian Pacific Railway Company

FIFTY-FIFTH ANNUAL REPORT

OF THE

Directors of Canadian Pacific Railway Company

FOR THE YEAR ENDED DECEMBER 31, 1935

To the Shareholders:

The accounts of the Company for the year ended December 31, 1935, show the following results:—

INCOME ACCOUNT

Gross Earnings	$129,678,904.57
Working Expenses (including taxes)	107,281,380.60
Net Earnings	$ 22,397,523.97
Other Income—Net	8,145,494.31
	$ 30,543,018.28
Deduct provision for depreciation of Ocean and Coastal Steamships*	3,550,996.64
	$ 26,992,021.64
Deduct Fixed Charges	24,159,937.83
Balance transferred to Profit and Loss Account	$ 2,832,083.81

*In 1934 provision for such depreciation, amounting to $3,783,660.01, was deducted from Profit & Loss and Surplus Revenue Account.

PROFIT AND LOSS ACCOUNT

Surplus Revenue December 31, 1934		$145,912,720.95
Balance of Income Account for the year ended December 31, 1935		2,832,083.81
		$148,744,804.76
Deduct:		
Loss on lines abandoned and on property retired and not replaced	$4,692,085.65	
Miscellaneous—Net Debit	548,030.96	
Provision for losses in respect of investment in lines in the United States controlled through stock ownership	4,000,000.00	
		9,240,116.61
Profit and Loss Balance December 31, 1935, as per Balance Sheet		$139,504,688.15

The operations for the year 1935 resulted in an improvement of $145,953 over the comparable figure for the previous year. The balance of Income Account available for transfer to Profit and Loss Account after deduction of provision for depreciation of Ocean and Coastal Steamships was $2,832,083. The comparable figure for 1934 of $2,686,130 may be arrived at by deducting from $6,469,790, balance of Income Account, $3,783,660 provision for depreciation of Ocean and Coastal Steamships, charged to Profit & Loss and Surplus Revenue Account in that year. In spite of the slight improvement mentioned, the level of earnings is still far from satisfactory.

Railway Earnings and Expenses

The results of railway operations in 1935 as compared with 1934 are as follows:

	1935	1934	Increase or **Decrease**
Gross Earnings	$129,678,904	$125,542,954	$ 4,135,950
Working Expenses (including taxes)	107,281,380	101,158,931	6,122,449
Net Earnings	$ 22,397,524	$ 24,384,023	**$ 1,986,499**

In 1935 working expenses, including taxes, amounted to 82.73% of gross earnings, as compared with 80.58% in 1934. Excluding taxes, the ratio was 79.56% as against 77.34% in 1934.

The trend of gross earnings during the first eight months of the year was irregular, there being in the aggregate a slight decrease compared with the same period of the previous year. During the remainder of the year a definite improvement was manifest, and for the full year there was an increase of $4,135,950 or 3.3%. Passenger earnings decreased $218,027 during the first seven months, but owing to an improvement in each month thereafter the final results for the year showed a decrease of $3,090 only. Freight earnings for the year increased $2,959,778 or 3.1%. The decrease for the first eight months was $254,737, and the increase for the remainder of the year was $3,214,515. There were moderate increases in earnings from coal, paper, refinery and smelter products and substantial increases in lumber, woodpulp and petroleum products. The earnings from grain and grain products again showed a reduction, being lower than in any year since 1914. Notwithstanding that during the early part of the summer the prospects of the wheat crop in Western Canada seemed excellent, owing to the development of rust and frost in many districts the total production fell much below the average. Conditions in the territory tributary to your Company's lines showed some improvement, with the result that a slightly larger proportion of the total crop will be available for movement by your Company than in the previous crop year.

Working expenses increased $6,122,449 or 6.1%. The revision of the scale of deductions from basic rates of pay applicable to officers and employees was put into effect, as indicated in the last Annual Report, resulting in an addition of $3,068,000 to the working expenses of the year. During the early part of the year extraordinary and prolonged snow and flood troubles in British Columbia entailed heavy expenses for maintenance and re-routing of trains. Main line traffic was disrupted for a period of ten days.

Maintenance expenses for the year increased $3,331,221 or 8.5%. A substantial part of this increase was due to the partial restoration of payroll deductions. Moreover, in order to assist in stimulating employment, under agreement with the Dominion Government, the main locomotive and car shops were operated for three more days per month from July to November inclusive than in 1934 at an increased expense of $1,065,441. As a result, repairs to equipment were performed in advance of the time when the work would otherwise have been done. Nevertheless it was considered desirable to continue the policy adopted two years ago of charging the cost of such repairs to working expenses at the time when the expenditures were incurred, in order to avoid the creation of deferred charges against future years' operations. All expenditures in connection with work done during the year have been taken up in the accounts. Your property continues to be maintained in an efficient condition.

Transportation expenses increased $1,861,064 or 4.1%. The ratio of transportation expenses to gross earnings rose from 36.3% in 1934 to 36.6% in 1935. This increase in ratio is more than accounted for by the partial restoration of payroll deductions. Continued improvement in efficiency is indicated by an increase in average freight train loading from 1,525 tons in 1934 to 1,546 tons in 1935, and in gross ton miles per train hour from 24,062 to 25,051. Average fuel consumption for freight trains decreased to 109 pounds per 1,000 gross ton miles as compared with 112 pounds in 1934.

Traffic and general expenses increased $847,468, owing principally to partial restoration of payroll deductions and also to larger pension disbursements.

Other Income

In accordance with intimation given at the last Annual Meeting, the caption "Other Income" has been substituted for "Special Income" to describe the Company's net income derived from sources other than railway operations and lands, and the items included in the first two subcaptions have been reclassified. Other Income for 1935 showed an increase over 1934 of $1,481,701.

The caption "Dividends" includes all income received by the Company by way of dividends. The increase over the comparable figure of 1934 is $1,228,096, due principally to an increase of $1,177,750 in the cash distributions received from The Consolidated Mining & Smelting Company of Canada, Limited.

Net income from interest, exchange, separately operated properties and miscellaneous decreased $128,624 from the comparable figure of 1934.

Net earnings of ocean and coastal steamships before depreciation increased $560,475. While the net earnings of these services have shown yearly increases since 1931, the returns are still much below a satisfactory level. During the year 1935 the Company's steamships made 133 regular voyages on the Atlantic, 26 on the Pacific and 35 cruises, an increase from 1934 of 4 Atlantic voyages and 1 Pacific voyage and a decrease of 8 cruises. It is a matter of satisfaction to report that there were no casualties of a major nature. The "Minnedosa" and "Melita" were sold during 1935.

Net earnings from hotel, communication and miscellaneous properties decreased $178,246. Owing to the continued serious losses in the operation of the Place Viger Hotel, Montreal, which showed no prospect of improvement notwithstanding every effort to secure additional patronage and to operate it in the most economical manner, this well-known unit of the Company's system was closed on September 30, 1935. It was with regret that your Directors found themselves compelled to take this action.

Steamship Depreciation

The full annual depreciation requirement for your ocean and coastal fleets, amounting to $3,550,996, was appropriated from Income Account instead of from Profit and Loss Account.

Fixed Charges

It is satisfactory to record that, after showing annual increases for many years, Fixed Charges in 1935 were $418,087 less than in 1934. Moreover, in order to avoid any conflict with the meaning which will be ascribed to the term "Fixed Charges" on this continent as a result of the recent definition by the Interstate Commerce Commission of the accounts to be so designated by railways subject to its jurisdiction, interest on unfunded debt and amortization of discount on funded debt, treated as a deduction from Special Income in 1934, have now been included as part of the Fixed Charges. Were it not for this change, the reduction in Fixed Charges as compared with the preceding year would be $576,383.

Profit and Loss Account

During the year an active policy of retiring unprofitable and excess property in order to secure more remunerative operation was continued, with the result that the write-off for loss on lines abandoned and on property retired and not replaced was $140,000 greater than in 1934. Applications were made to the Board of Railway Commissioners for Canada for approval of the abandonment of five branches aggregating 104.6 miles of line. One of these branches had not been in operation for a number of years, and the operation of the others had proved unprofitable for some time. Four of these applications have been granted and one involving 33.1 miles of line has been refused.

Under the authority granted, two lines were abandoned during the year, namely:

(a) North Fork Branch of Kettle Valley Railway Company, leased to your Company, West End to Archibald (17.4 miles), Province of British Columbia.

(b) Stobie Branch of your Company, mile 1.6 to Blezard Mine (3.4 miles), Province of Ontario.

The abandonment of the other sections approved will be proceeded with during 1936.

The necessary adjustment has been made in the accounts in regard to all railway, steamship and other property retired during the year, including the furnishings and equipment of the Place Viger Hotel. No adjustment has been made with respect to the hotel building itself pending a decision as to the disposition thereof. While the accounting charges in connection with the retirement of such properties represent a substantial sum, the Company will benefit in the future by the elimination of operating losses previously sustained, and from the sale or use elsewhere of materials and property released.

A further appropriation of $4,000,000 was made to provide for possible writing down in the future of your Company's investment in controlled railways in the United States. The reserve for this purpose is now $16,000,000.

Dividends

While, as a result of the operations for the year, the Company was able to transfer $2,832,083 from Income Account to Profit and Loss Account, yet in view of the necessity for conserving its cash resources to meet necessary expenditures, including advances to the Minneapolis, St. Paul & Sault Ste. Marie Railway Company, to which reference is made later in this Report, your Directors deemed it inadvisable to declare any dividend in respect of the year 1935.

Balance Sheet Accounts

Some changes in the classification of the accounts in the General Balance Sheet have been found to be desirable, particularly in view of the regulations adopted by the Securities and Exchange Commission of the United States, which controls the listing of the Company's stocks and securities on the New York Stock Exchange. Such changes include the reclassification under new headings of the investments in other companies and the transfer to a separate heading on the asset side of the Balance Sheet of unadjusted debit balances heretofore deducted from Reserve for Contingencies. Other minor changes in nomenclature have been made. In view of these changes, it was thought well to include this year a detailed schedule of the investments of the Company in stocks, bonds, and other securities of leased, controlled and jointly controlled railway companies and wholly owned companies. In addition to the schedule of contingent liabilities, a schedule has been incorporated showing the Company's obligations in respect of principal of securities of companies owning railway lines operated by it under lease.

Land Accounts

Sales of agricultural lands during the year amounted to 124,354 acres for $1,217,890, an average of $9.79 per acre, including 1,201 acres of irrigated land at $47.13 per acre and the remainder at an average of $9.43 per acre.

Interest on deferred payments decreased from the figure of the previous year because of the transfer mentioned in the succeeding paragraph, and because of an increase over 1934 in interest rebates to land contract holders. These rebates first granted in 1932, and continued in subsequent years as a measure of relief to the farmers who were suffering from severe economic pressure as a result of poor crops and low prices, amounted to $1,349,497 in 1935, and have aggregated $6,300,082 since 1932.

The contract with the Board of Trustees of The Eastern Irrigation District, to which reference was made at the last Annual Meeting, has now been completed by the transfer to the District of the Eastern Section of the Company's Irrigation Project, together with the unsold lands and the deferred payments under existing contracts. The liability of the Company to maintain and operate the system has been transferred to and assumed by the District, with the sanction of the Legislature of Alberta. This will result in an annual saving in land expenses of not less than $400,000. As a result of this arrangement, Deferred Payments have been reduced by $4,628,555 and Unsold Lands and Other Properties by $10,991,589, involving a reduction in Land Surplus of $15,620,144. The lands transferred have been written off at average appraisal values, though with the exception of a relatively small irrigable area, they are lands of poorer quality. The contracts under which land was sold and water delivered in this section of the irrigation project provided from the outset for the assumption ultimately by the water users of the maintenance and operation of the system on a co-operative basis. Your Directors are of the opinion that, by anticipating the transfer, substantial savings will be made in land expenses without jeopardizing the Company's interest in the development of traffic.

An agreement was made during the year between your Company, the Cadillac Coal Company, Limited and the Royalties Oil & Share Corporation Limited under which their colliery properties and coal lands in the vicinity of Lethbridge, including those acquired by your Company with other properties of the Alberta Railway & Irrigation Company and certain coal lands of the Calgary & Edmonton Railway Company, were conveyed to a new company known as Lethbridge Collieries Limited, in which your Company has a controlling interest. In exchange for the properties conveyed, your Company received a total of $480,000 par value of stock in the new company and undertook to complete the construction of a new shaft in consideration of the issue of additional stock equivalent to the amount of its expenditures. As at December 31, 1935, an additional $200,000 par value of stock had been received on this account. The stock acquired has been included in Miscellaneous Investments at par value. The Company's investment in the capital stock of the Alberta Railway & Irrigation Company has been written down by an amount equivalent to the original cost to that company of the properties sold, and an equivalent amount, less the proportion of the credit from the stock acquired in Lethbridge Collieries Limited applicable to such cost, has been written off against Land Surplus. The merger will eliminate wasteful and costly competition in the Lethbridge field and already shows promise of profitable operation.

Pensions

Pension disbursements for the year totalled $2,022,428 and were included in working expenses. During the year 381 employees were pensioned. The total number of pensioners at the end of the year showed an increase of 171 over the number at December 31, 1934. The distribution by ages of the number of pensioners on the roll at December 31, 1935, was as follows:—

Under 60 years of age	95	
From 60 to 64 years of age inclusive	241	
From 65 to 70 years of age inclusive	1,180	
Over 70 years of age	1,246	
		2,762

Capital Expenditures

In anticipation of your confirmation, your Directors authorized Capital Appropriations, in addition to those approved at the last Annual Meeting, aggregating for the year 1935 $5,904,984, of which $5,164,068 is in connection with the new rolling stock to be built under agreement with the Dominion Government hereinafter referred to. Your approval will be requested for capital expenditures during the present year of $6,149,769. Particulars of the principal items are:—

Replacement and enlargement of structures in permanent form	$ 362,977
Additions and betterments to stations, freight sheds, coaling and watering facilities and engine houses	528,416
Ties, tie plates, rail anchors and miscellaneous roadway betterments	2,357,272
Replacement of rail in main and branch line tracks with heavier section	483,048
Installation of automatic signals	60,800
Additional terminal and side track accommodation	112,118
Additions and betterments to rolling stock	2,176,676
Additions and betterments to hotels	24,000

Additions and betterments to rolling stock includes the cost of the balance of the new rolling stock to be built under the agreement with the Dominion Government hereinafter referred to and the capital proportion of expenditures for improvements. The latter, in addition to ordinary betterment of freight cars in conformity with interchange requirements and betterment of motive power to secure more efficient operation, includes for the first time expenditures for air-conditioning of sleeping, parlor and observation cars to be used in our transcontinental and international services in competition with the services operating over United States railways which have already been similarly equipped.

Finance

As one of the measures for the relief of unemployment adopted by the Dominion Parliament at the session of 1935, the Government agreed to purchase certain rolling stock to be sold in part to the Canadian National Railway Company and in part to your Company under so-called Hire-Purchase Agreements. In the case of your Company, the amount involved is $5,730,000. The Company will have the use of the rolling stock, will reimburse the Government for the full amount of its cost in thirteen annual instalments commencing in 1938, and will acquire title upon payment of the final instalment. No interest will be payable in respect of the first two years, after which it will accrue at the rate of 4% per annum. The rolling stock is being constructed according to plans and specifications prepared by your mechanical engineers, and will be received by the Company during the year 1936. As a result of the arrangement, your Company will acquire 1,120 freight cars, 16 light weight passenger cars, 5 light weight passenger locomotives and 1 Diesel-Electric switching locomotive.

As a further part of the measures for the relief of unemployment adopted at the same session, the Government undertook to make advances to the two railway companies for the purpose of providing increased employment in their main shops, the amount in the case of your Company being $1,270,000, of which $1,065,441 was advanced during the year 1935. These advances are to be repaid in thirteen annual instalments commencing January 1, 1938, together with interest at 4% per annum, it being provided that no interest shall accrue in respect of the first two years after the date of the advances.

During the year $2,079,000, principal amount, of equipment obligations were redeemed and an amount of $2,284,200 was deposited with the Trustee of the Equipment Trust maturing 1944. Twenty Year 4½% Sinking Fund Secured Note Certificates to the amount of $322,000 were also redeemed.

On January 2, 1935, the Company borrowed $2,000,000 on its short term promissory notes from United States banks, secured by pledge of $2,850,000, principal amount, Perpetual 4% Consolidated Debenture Stock. These loans were repaid at maturity during the year and the Debenture Stock was released and cancelled.

Minneapolis, St. Paul & Sault Ste. Marie Railway Company

Drought conditions in the territory served by this system were relieved during 1935, and as a result the crop was considerably improved, although unfortunately it suffered materially from the effects of rust, as in Canada. Commencing with the month of July revenues have shown an improvement, but owing to increases in wage rates and other uncontrollable expenses the improvement was not reflected in the net income for the year. On account of guarantee obligations and to protect its investment in this property, your Company advanced to the Soo Line during the year $4,910,085, which enabled that company to meet all its interest charges and to redeem $825,000 of notes issued in 1932 to the Railroad Credit Corporation which had been guaranteed by your Company.

United States Securities Exchange Act of 1934

Pursuant to the Securities Exchange Act of 1934, passed by the United States Congress, and in accordance with the rules adopted by the Securities and Exchange Commission under its authority, the permanent registration on the New York Stock Exchange of those of the Company's stocks and securities which had previously been listed on that Exchange became effective July 1, 1935.

Ordinary Capital Stock

The shareholders have heretofore from time to time authorized the increase in the Ordinary Capital Stock of the Company to an aggregate amount of $385,000,000 of the total of $500,000,000 of such stock which the Company is by law empowered to issue when so authorized. At a special meeting of the shareholders held on May 6, 1931, authority was granted for the issue of additional Ordinary Capital Stock of the Company to an amount of $50,000,000, the proceeds to be applied to the purposes referred to in the resolution authorizing such issue. Owing to the unsatisfactory conditions which have prevailed since that authority was granted, rendering it impracticable to dispose of the Company's Ordinary Capital Stock, your Directors deemed it advisable that the Company's requirements for the purposes referred to should be met by the issue of terminable securities with a right of conversion into Ordinary Capital Stock, subject to terms and conditions approved by your Directors. Under this policy the Company, as mentioned in the Annual Reports for the years in question, issued in 1932 $12,500,000 Convertible Ten Year 6% Collateral Trust Bonds and in 1934 $12,000,000 Convertible Fifteen Year 4% Collateral Trust Bonds, secured in each case by pledge of Perpetual 4% Consolidated Debenture Stock of the Company, the holders in each case being given the right to convert their bonds into shares of the Ordinary Capital Stock of the Company in the ratio of four shares of the par value of $25 each to each $100 principal amount of the bonds. Such conversion privileges offer advantages both from the standpoint of the Company and the investor. Your Directors are of the view that until conditions become more settled it may from time to time be desirable to follow similar methods of financing. In order that they may be in a position to issue Ordinary Capital Stock, as may in their opinion be desirable for the purposes referred to in the resolution of the shareholders to which reference has been made, either for direct sale or for conversion privileges in connection with any terminable obligations heretofore or hereafter issued by way of refunding or otherwise for any such purpose, your authority will be asked at the forthcoming Annual Meeting for the issue of an additional $65,000,000 of Ordinary Capital Stock in such amounts, on such terms and at such times as your Directors shall from time to time decide.

Co-operation With Canadian National Railway Company

The joint study of co-operative measures, plans and arrangements under the provisions of the Canadian National-Canadian Pacific Act 1933 was continued throughout the year. The arrangements previously in effect were continued, and certain others have advanced sufficiently for the preparation of formal agreements. In some of these, line abandonments will be involved, which will require the approval of the Board of Railway Commissioners for Canada. The studies have resulted in the rejection of a number of proposals and a number of others are still under investigation. The total annual economy to be derived from the arrangements already in effect and from those recommended to the Joint Executive Committee has been estimated at slightly less than $1,600,000, one-half of which will accrue to each Company. Further negotiations carried on during the year in an endeavour to secure co-operative economies in the telegraph and express services of the two companies have been without definite result.

Stock Holdings

The holdings of the Capital Stocks of the Company in December, 1935, were distributed as follows:—

	ORDINARY No. of holders	ORDINARY Percentage of Stock	PREFERENCE No. of holders	PREFERENCE Percentage of Stock	Percentage of Ordinary and Preference Stocks combined
Canada	29,088	16.84	82	.28	11.94
United Kingdom and other British	21,251	53.49	27,707	97.90	66.64
United States	16,322	24.24	28	.58	17.23
Other Countries	4,456	5.43	200	1.24	4.19
	71,117		28,017		

Changes in Directorate

Honourable J. Marcelin Wilson, President of the Banque Canadienne Nationale, was appointed a Director of the Company to fill the vacancy caused by the death of Honourable F. L. Beique.

Retiring Directors

The undermentioned Directors will retire from office at the approaching Annual Meeting. They are eligible for re-election:

Mr. D. C. COLEMAN
Mr. JOHN W. HOBBS
Mr. R. S. McLAUGHLIN
Sir EDWARD R. PEACOCK, G.C.V.O.
Mr. W. N. TILLEY, K.C.

Your Directors again acknowledge with gratitude the loyal co-operation and assistance of the officers and employees in all matters affecting the Company's interests.

For the Directors
E. W. BEATTY,
President.

Montreal, March 9, 1936.

Canadian Pacific Railway Company

General Balance Sheet, December 31, 1935

ASSETS

PROPERTY INVESTMENT:		
Railway, Rolling Stock, Inland Steamships, Hotel, Communication and Miscellaneous Properties	$767,737,162.19	
Improvements on Leased Railway Property	97,337,171.45	
Ocean and Coastal Steamships	104,849,337.98	
Stocks, Bonds and Other Securities of Leased, Controlled and Jointly Controlled Railway Companies and Wholly Owned Companies—Cost	199,956,164.25	
		$1,169,879,835.87
OTHER INVESTMENTS:		
Miscellaneous Investments—Cost	$ 26,919,735.72	
Advances to Controlled and Other Companies—Net	18,792,285.02	
Mortgages Collectible and Loans & Advances to Settlers	2,951,534.33	
Insurance Fund Investments	8,246,827.31	
Deferred Payments on Lands and Townsites	40,857,030.19	
Unsold Lands and Other Properties	34,105,574.46	
		131,872,987.03
CURRENT ASSETS:		
Material and Supplies	$ 16,173,024.90	
Agents' and Conductors' Balances	5,368,213.88	
Net Traffic Balances	485,917.72	
Miscellaneous Accounts Receivable	5,334,407.82	
Cash	17,356,041.53	
		44,717,605.85
UNADJUSTED DEBITS:		
Insurance Prepaid	237,760.24	
Unamortized Discount on Bonds	572,098.59	
Other Unadjusted Debits	1,245,858.48	
		2,055,717.31
		$1,348,526,146.06

LIABILITIES

CAPITAL STOCK:		
Ordinary Stock	$335,000,000.00	
Preference Stock—4% Non-cumulative	137,256,921.12	
		472,256,921.12
Perpetual 4% Consolidated Debenture Stock	$495,911,848.74	
Less: Pledged as collateral to bonds and notes	204,500,300.00	
		291,411,548.74
Bonds and Notes	$187,464,000.00	
Less: Securities deposited with Trustee of 5% Equipment Trust	7,640,770.41	
		179,823,229.59
Twenty Year 4½% Sinking Fund Secured Note Certificates (1944)	$ 30,000,000.00	
Less: Purchased by Trustee and cancelled	9,483,300.00	
		20,516,700.00
CURRENT LIABILITIES:		
Audited Vouchers	$ 4,631,749.37	
Pay Rolls	2,567,894.96	
Miscellaneous Accounts Payable	1,959,164.51	
Accrued Fixed Charges	1,486,104.12	
		10,644,912.96
DEFERRED LIABILITIES:		
Dominion Government Unemployment Relief	$ 3,512,664.50	
Miscellaneous	317,054.10	
		3,829,718.60
RESERVES AND UNADJUSTED CREDITS:		
Equipment Replacement Reserve	$ 8,340,368.22	
Steamship Depreciation Reserve	36,210,202.77	
Insurance Reserve	8,246,827.31	
Contingent Reserves	7,454,731.70	
Investment Reserve	16,000,000.00	
Unadjusted Credits	3,624,045.93	
		79,876,175.93
Premium Received on Capital and Debenture Stock (Less discount on bonds and notes written off at date of issue)		66,712,887.43
Land Surplus		83,949,363.54
Profit and Loss Balance		139,504,688.15
		$1,348,526,146.06

E. A. LESLIE, *Comptroller.*

AUDITORS' CERTIFICATE:

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1935, and having compared the above Balance Sheet therewith, we certify that in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the Income and Profit & Loss Accounts correctly set forth the result of the year's operations.

PRICE, WATERHOUSE & CO.,
Chartered Accountants, (England).

Montreal, March 6, 1936.

Provincial Governments Plan Grading Gasoline

Ontario Introduces Bill, Alberta Wants to Regulate Prices Too

MARITIMES LEAD

At various points across Canada provincial governments are introducing legislation to provide for regulation of the sale of gasoline and other oil products. In some cases, particularly in Alberta, the programme is of a rather drastic nature, involving provision for investigating and regulating prices of gasoline. In others, it has to do with provisions for grading of gasoline according to knock rating, a measure which many advocate as a protection of the public against being sold inferior gasolines in the guise of better gasolines.

In the Maritimes the sale of gasoline was made subject to yearly licenses to prevent the multiplication of outlets. At the same time distributing companies were forbidden to finance the purchase by service station operators of tanks and pumps and other equipment.

Gasoline Sale Licensed

The Ontario government has introduced two bills into the Legislature with respect to the oil industry. One provides for much closer inspection and much more complete returns of sales all over the province and a stricter administration of the tax of six cents a gallon on gasoline.

The other act provides that all persons selling gasoline, kerosene or distillate must be licensed. Except railway companies every transporter of gasoline must also be licensed. Licenses are needed to mix any constituent of gasoline with any other constituent of gasoline or other substance for sale.

Monthly returns are required and special attention is given to imports from outside the province.

Will Grade Gasoline

The greatest change is embodied in three clauses of Section 13, permitting regulations; "(f) requiring that all gasoline stored or offered for sale in Ontario shall be graded according to such scale as the regulations may prescribe;

"(g) requiring importers, manufacturers, jobbers and vendors of gasoline to indicate the grade and price of gasoline offered for sale;

"(h) fixing the grade or quality of gasoline which may be offered for sale."

The Minister of Highways under this Act will be able to prescribe the kind of equipment, containers and conveyances to be used. He can hold enquiries whenever it seems called for. The information gathered under the Act is to be secret.

Stop Adulteration

Highways Minister McQuesten stated in the Legislature these clauses are intended to strike at dealers and others adulterating gasoline.

In Alberta, however, Hon. E. C. Manning, provincial secretary, indicates price regulation will be a part of legislation to be brought down unless the companies make a voluntary reduction of gasoline prices. Independent oil companies plan a protest against restrictive legislation of this character.

In British Columbia several cities have threatened to take action in the direction of starting and conducting retail distribution themselves of gasoline for the benefit of citizens.

Saskatchewan too is talking of inaugurating gasoline standards.

Calgary Power Cuts Connection

Closes Out 5-year Hydro Connection With Edmonton

At midnight of Saturday, April 11, Calgary Power Co. will cut out its hydro line after being connected with Edmonton's power plants for 5 years. Edmonton then will depend on the steam plant without standby protection agreement with the company expired Sept. 30, 1935.

J. M. Robertson of Montreal had given a report in favor of continuing arrangement.

Satisfactory performance for five years did not prevent severance of the arrangement even though the city's electric services were thereby placed in a dangerous position and serious loss was caused both to the city and the company, the company's letter concluded.

Acme Glove Plan Passes

Holders of Preferred Are Given More Favored Treatment

From Our Own Correspondent

MONTREAL. — Shareholders of Acme Glove Works have approved a plan of capital reorganization with slight amendments in favor of the preferred shareholders and steps will be taken to apply for supplementary letters patent to bring the plan into force.

The changes in the original plan affect the new cumulative preferred shares of $100 par value, which would carry 6½ per cent instead of 6 per cent as originally suggested, be redeemable at 105 and accrued dividends instead of 103, and will also carry the privilege of optional conversion of each one preferred share into two and a half shares of new no par value common.

New Capital Set-up

As now approved, capital structure of the company will consist of 6½ per cent cumulative, redeemable, convertible stock of $100 par value, authorized at $1 million of which $687,960 is to be outstanding and no par value common authorized 30,000 shares of which 24,000 shares are to be outstanding.

Each two present $50 par first preferred shares will be exchanged for $120 of new 6½ per cent preferred, the additional $20 being in settlement of dividend arrears. Each present $50 par second preferred will be exchanged for one quarter share of new preferred plus 1½ shares of new common. The unissued class A common is to be cancelled, while the class B common will be exchanged share for share into new common.

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Standard Paving

I have been advised to buy Standard Paving Co. stock and would like a brief report on its earnings and prospects.

Standard Paving has both preferred and common stock outstanding, but you do not mention which you are interested in.

As at March 31, 1935, the company had a working capital of $403,000. Earnings in the 1934-35 fiscal year were $55,554, and after providing for depreciation and depletion there was a net deficit of $64,000. As at March 31, 1936, arrears of dividends on the preferred stock will amount to $26 a share.

Earnings for the 1935-36 year may show some improvement, but prospects for immediate resumption of the full dividend on the preferred do not appear good. Common shares are a long way from even a hope of dividends.

The company operates through subsidiaries as street and highway paving contractors, and supplies sand and gravel for building and construction work throughout Ontario, Quebec and the Maritime Provinces. While there may be some recovery in house building coming, it is doubtful whether the pre-depression volume of road-building is likely to return in the immediate future.

Robert Simpson Co.

I would appreciate it if you would give me some information concerning Robert Simpson Co. Ltd. preferred.

The Robert Simpson Co. 6 per cent cumulative preferred stock is selling at about 114 to yield 5.3 per cent, indicating that the stock is highly regarded. Robert Simpson Co., after paying bond interest and deducting depreciation, earned $18.33 a share on the preferred in 1934 and almost as much in 1935. The stock is non-callable and has no voting power. Dividends are payable in Toronto and London. A considerable portion of the issue is held in England.

Montreal Tramways

As a reader of The Post I would like to know what you think of the Montreal Tramways Co. general mortgage bonds. I notice that the yield is very high and wonder if this has any particular significance.

Montreal Tramways Co.'s general mortgage bonds have been depressed owing to difficulties encountered with the city. The company and the city entered into an operating agreement in 1918 whereby the revenues of the tramway system were apportioned on a fixed basis, which, among other things, included an annual rental of $500,000 to the city. In the last few years there has not been sufficient revenue to pay this rental and a number of the city of Montreal aldermen have been agitating for a revision of the contract. This contract is incorporated in provincial legislation and cannot be changed without an act of the legislature. It is unlikely such a step will be taken. Meanwhile the agitation against the company has unsettled the market. The situation will bear watching.

Great West Saddlery

Would you please give me some information on Great West Saddlery Co. and its prospects?

During the past 2½ years operations of the Great West Saddlery have shown improvement over the previous four-year period. In this year ended June 30, 1934, the company reported a net profit of $10,981 after providing for all expenses, depreciation and bond interest. In the 18 months ended Dec. 31, 1935, results were less favorable, net profit amounting to $2,753. In order to preserve the company's working capital position, bondholders have approved adjustments in the sinking fund requirements of the company's bonds.

Despite the poor results in recent years, the company has maintained a strong working capital position. The working capital at the end of 1935 amounted to $874,107, an improvement of $20,000 over the previous year.

While it is likely that bond interest will continue to be earned, there is little prospect of any return on the preferred and common stock in the near future. The outlook for 1936 is uncertain. During the first months of the year sales were adversely affected by cold weather.

Provincial Paper

I have been urged to buy seven per cent preferred stock of Provincial Paper Co. Do you consider this a good investment? Are dividends being earned?

Provincial Paper has always earned and paid dividends on its preferred stock. You must remember, however that these shares are callable at 107. We understand the company may refinance its bonds this year, but there is no immediate possibility of the preferred being called. It is possible in another year this might be a different matter.

St. James Court Apts.

I have a bond of St. James Court Apartments which matured a year ago and defaulted payment of principal. It has paid no interest since. Are any steps being taken to remedy the default?

National Trust Co., Toronto, trustee for bondholders of St. James Court Apartments, is receiving net rentals from the building and has been applying available funds toward liquidation of tax arrears. As at Jan. 30, 1936, taxes for 1934 and 1935 had been paid and a small balance remained. This is not sufficient for any interest payment on the bonds.

The building is able to earn operating expenses and taxes. The fact that it has been able to catch up with tax arrears shows that in 1936 it may be able to pay the year's taxes, and have something substantial available for bondholders. It is highly improbable, however, the full rate of interest can be paid from earnings.

No steps have been taken to remedy the default in principal of the bonds, although consideration is being given to a plan by which the company may offer to compromise with bondholders. This would be less expensive, and possibly more productive, than a foreclosure and mortgage sale.

C. P. R.

My holdings of Canadian Pacific Railway have recently shown a sharp increase in value. Is this value likely to continue and what are the prospects of this company paying a dividend?

We presume you are a holder of the ordinary shares of the Canadian Pacific Railway. The advance in the value of this stock has been in part a reflection of the general upward trend in stock market values and also an expression of confidence that with a general improvement in Canadian conditions, the Canadian Pacific Railway is bound to benefit. The preliminary financial statement for 1935 does not hold out any particular encouragement to the ordinary shareholders. Report shows practically the same returns as in 1934, when the fixed charges were covered by a margin of about $6 millions. In connection with the current report, the directors state there will be no dividend paid on the 1935 returns.

It is rather difficult to arrive at an opinion as to the near or long-term outlook for the C.P.R. The railway situation is a highly complicated one and the country does not appear to be any nearer its solution. Admittedly the Canadian Pacific has tremendous recuperative powers and, with a return to prosperity, the company might establish earnings on a basis which would permit a resumption in dividends on the ordinary stock. However, we do not anticipate that this will take place in the very near future as the company has heavy deferred obligations in regard to maintenance and replacement of properties which will involve an outlay of many millions of dollars.

Dominion Coal

Would you be good enough to give me your opinion on the preferred stock of Dominion Coal Co.? Is there any danger of the government withdrawing its subvention on coal shipments?

Dominion Coal Co. has recorded considerable recovery in the last three or four years. Through the aid of the Dominion government in granting rail subventions on the shipment of the coal from the Maritimes to central Canada, the company has been able to greatly widen its market. Earnings have increased to the point where the dividend on the preferred stock is covered by a very comfortable margin.

While there is always a possibility that the Dominion government will withdraw the subsidy, yet the opinion is that this subsidy will be continued for two reasons. First, is that the Dominion has always strongly advocated a Canadian fuel policy and has granted subsidies of one kind and another to the coal mining industry. Secondly, the withdrawal of the subsidy would throw a large number of miners out of work and this would only create an additional burden upon the government in the way of unemployment relief. Rather than do this, it is believed that the Dominion government will continue the payment of the subsidy to the railways for the movement of coal to central Canada.

Nova Scotia Steel

Will you please let me know the latest information on Nova Scotia Steel and the market value of the security?

Nova Scotia Steel is making fair progress. Coal sales have been satisfactory with fair profits earned. The iron and steel business, on the other hand, has not been good, and the aggregate results, while showing some improvement, do not call for any particular optimism on the part of the security holders.

There is a considerable speculative interest in the Nova Scotia Steel securities and the first mortgage 5 per cent bonds, due 1959, are bid around 37 to 39, while the debenture stock has a market of from 5 to 10.

Bay-Adelaide Garage

Would you be good enough to let me know the present position of the first mortgage bonds of Bay-Adelaide Garage, Toronto.

Bay-Adelaide Garage first mortgage bonds are currently quoted at about 21. The market, however, is very limited. The prospects for the company and for the bondholders are not very bright.

There does not appear to be any early prospect of payments to bondholders. Operations of the company have been seriously affected by competition from cheap out-door parking accommodation.

The company's report for the year ended Feb. 29, 1936, is not available. At the end of 1934, however, arrears in taxes had been paid.

Rackets

Charity Chiselling

IF YOU receive frequent telephone calls or letters asking you to purchase tickets in aid of some unknown charity, the chances are that it wants to remain unknown—as far as law authorities are concerned.

Businessmen who respond to these appeals would be surprised to know how small a proportion of their donation actually reaches the supposedly worthy cause, according to the Better Business Bureau. Racketeering in the name of charity has developed into a highly specialized business. Records kept by these racketeers are equal to those of the most efficient sales organization.

Card systems reveal not only the name of the "easy mark" but give the residence and place of business. Telephone numbers are included and data also embrace the details of the position held by the prospective victim. His probable salary is tabulated, and some indication of how much the prospect is "good for;" how often he may be "tapped," and other pertinent information as a guide to the best "approach."

This information, known as "tap lists," is not only useful to its owners, but has a definite market value and is available for sale at so much per name to those in the know. Lists are sold to out-of-town racketeers who intend "working" in the locality.

National Sewer Pipe

Please give me your opinion of National Sewer Pipe class A stock. How would a European war affect the company?

The company has net current assets of over $30 a share, and total net assets of over $75 a share on the class A stock. The company is well-managed, but has suffered from lack of demand for its vitrified clay products and building tile.

If building recovery develops, whether caused from a war or otherwise, the company should stand to improve its earnings considerably. The class A shares are the senior security, and are really a type of preferred stock. A European war might loosen money, and make for improvement in the situation of National Sewer Pipe Co., but the direct effect of a war on the company's operations would be small.

Dominion Stores

Can you give me a brief report on the position of Dominion Stores?

Dominion Stores suffered a loss of $610,000 in 1935. The company spent a good deal of money last year renovating its stores, equipment and its merchandising system. However, quite a bit of ground has to be made up before the company can be restored to a satisfactory earning position. The working capital is substantial, so that dividends can be paid if and when earnings are realized. Recently, the company has been recovering its lost sales.

Canadian Car

I would be glad to have your views on the capital stock of the Canadian Car and Foundry Co.

Canadian Car and Foundry Co. is dependent upon the railways for business. For a long period ending last year, the company had not received any business from either the Canadian Pacific or Canadian National Railways. Consequently operating losses were recorded. Last year the Dominion Government advanced money to both railways in order to enable them to purchase new equipment. Approximately $10 millions was involved and of this sum, about $3 to $4 millions went to Canadian Car. This business will keep Canadian Car's plant reasonably active during the current year, but it is not expected that the profits on these contracts will enable the company to pay anything in the way of dividends.

Until there is a return of larger buying of equipment by both railways there is little that can be expected for either the preferred or common stock in the way of dividends.

B. C. Bee Keepers

Bee-keepers in British Columbia who registered last year numbered 535, bringing the total number in the province to 3,129.

Reduces Minimum Units

From Our Own Correspondent

MONTREAL.—Minimum units for trading in butter, cheese and eggs on the spot section of the Canadian Commodity Exchange have been reduced one half in each case.

The old minimum unit for both butter and cheese was 100 boxes and for eggs 50 cases. The former has now been reduced to 50 boxes and the latter to 25 boxes.

1936 EDITION

"Canadian Government Loans"

A Handbook on Canadian Securities for Dealers and Institutions

This booklet contains complete lists of the outstanding Canadian Government and Provincial issues, together with financial statements, production statistics and other useful information.

Copies on request.

DOMINION SECURITIES CORPORATION LIMITED

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THE LONDON AND WESTERN TRUSTS CO. LIMITED

Established 1896

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3½%

INVESTMENT DEBENTURES

Issued in sums of $100 and upwards for terms of from 5 to 10 years. Canada Permanent debentures are a Trustee investment.

FOUNDED 1855

CANADA PERMANENT Mortgage Corporation

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Assets exceed $69,000,000

THE ONTARIO LOAN AND DEBENTURE CO

LONDON, CANADA

Established 1870

Assets over $14,000,000

3% PAID ON DEPOSITS 3½% ON DEBENTURES

Archibald McPherson, *President.* T. H. Main, *Manager.*

DOMINION BATTLESHIP LINOLEUM

A CUSTOM-BUILT FLOOR THAT SAYS POWER

Give your offices distinction. Install smart, custom-built floors reflecting the character of your business. Your crest or trademark — any design you desire can be reproduced accurately with Dominion Battleship Linoleum. This durable, noise-reducing floor covering comes in 19 different colours and effects. Laid according to our specifications, it is guaranteed for 5 years — yet it is

SURPRISINGLY INEXPENSIVE

Consult a specialist; your house furnishing store or a floor covering contractor will gladly submit designs and prices for a new, custom-built Dominion Battleship Linoleum floor.

DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL

Ford

ANNOUNCES A NEW

$30 A MONTH

TIME PAYMENT PLAN

Any New Ford V-8 Car Can Now Be Purchased for $30 A Month with Reasonable down Payment

THIS new $30 a month time payment plan now enables you to buy a 1936 Ford V-8 passenger car through your Ford dealer on new low monthly terms. After reasonable down payment is made, $30 a month is all you have to pay for any type of new Ford V-8 passenger car, including financing and insurance.

Your cost for this extension of credit is based on the low 7% time payment plan. The Traders Finance Corporation Limited has made this plan available through all Ford Dealers in Canada. And further, to accommodate individual needs and budgets, a wide variety of new and used car financing plans is also available.

See your nearest Ford Dealer for complete details.

FORD MOTOR COMPANY OF CANADA, LIMITED

In The Construction World

Will It Sell?

IT WOULD be quite possible to construct a hermetically sealed box-like house, where light, air, sound and nearly everything else was under rigid control. It might even be built in the middle of a busy city block, or sandwiched between slums. Once his front door was closed behind him, the owner would be completely cut off from the outside world.

But would it sell?

After all, the home is more than a cold dollars and cents business proposition. The average man is undoubtedly conservative when it comes to buying a dwelling for his own occupancy. A builder may prove that a revolutionary type of construction is cheaper and otherwise more efficient. Nevertheless, it is difficult, if not impossible, to completely eradicate the conventional type of house from the average man's mind.

* * *

Ideal Homes

THE latter has a very definite idea of his ideal home. For many years he has probably been mulling over plans. In addition to comfort and economy of maintenance, there are other factors on which he places very great importance. Surroundings, views, neighbors, alcoves, deep window sills, open fireplaces, individuality within certain limits, solidity, all come in under this category. He is usually partial to stone, brick or even wooden construction. He prefers sloping roofs.

Too much stress on obsolescence may actually frighten the prospective home builder. If this new factor rules out most of present-day construction, where will his new home be in 1940 or 1945?

It is all very well to point out the constant improvement in automobiles. To the average buyer the purchase of a car is merely an investment of a few years. With a home it is more often a near life-time proposition.

* * *

Combine With Orthodoxy

IF THE house of the future is to appeal to the great majority of potential buyers, it must largely combine orthodox lines with new developments in heating, lighting and air-conditioning. It must also have provision for the installation of still greater internal developments in years to come. Above all, it must have the right environment. If the view is not to one's liking, it is a simple matter to start a car, or lease a new apartment. But with $5,000 to $50,000 invested in a house, views, neighbors, schools, tax rates and other factors become almost static.

* * *

Smart Apartments

ON THE other other hand, most of these considerations do not apply to the apartment type of dwelling. Here the builder is dealing with a different person, one as a rule unencumbered with family and with little direct interest in the local community. It is here, undoubtedly, that new lighting, heating and humidifying devices may be profitably and immediately introduced. And the same applies to the office building or hotel. Indeed it will probably be through such media that revolutionary changes in construction are gradually introduced to the more conservative purchaser of the small single family dwelling.

Certainly, there would be absolutely no risk, and much to gain from such introductions. The great majority of tenants are on the lookout for essentially modern and smart apartments. And as the apartment tenant of today may be the family householder of tomorrow, these new ideas will gradually percolate to the more conservative elements of society.

* * *

Air Cooling

APPROACH of summer should see a general spurt throughout Canada in the insulation of air-conditioning equipment, particularly in those places much frequented by the public. It is understood all of the crack passenger trains of both the main Canadian railway lines will be so equipped this season. When it is admitted that probably less than a score of Canadian hotels and theatres are fully equipped with air conditioning, it will be realized that not even the surface of this work has been scratched.

In the theatres alone, the field appears to be very wide open.

Survey Sees Small Homes Lead Parade

Decided Upturn Seen in All Areas for Individual Homes

LOAN RATES LOWER

A decided upturn for real estate in every section of the country, with earning power of existing buildings rising substantially, is reported by the National Association of Real Estate Boards, Chicago. The survey covers Canada as well as United States.

Gains are particularly noted in the small house end of the business with apartments in second position. Business real estate is admittedly lagging behind the procession though here some pick-up is beginning to be noticed in the largest cities.

Cheaper Money

Lower rates for mortgage money are cited as a dominant factor in the real estate situation at the present time. It is stated that people are getting mortgage money fully one per cent lower than a year ago, in most communities. In most cases, it is stated only the borrower who seeks a fifty per cent loan or less finds these new sources of cheap financing open.

In a purely Canadian survey, it is believed, there would have been less reduction in interest rates in the last year, but over 18 months to two years the average decline has probably been a full one per cent. On good urban property, it is now possible to secure first mortgage up to 50 per cent of the value for from 5 to 6 per cent whereas two years ago the rate was 6 to 7.

Varying Recovery

A second major factor revealed by the recent survey shows a very wide variation in the degree of the recovery of real estate. This is especially true in certain districts where, as a result of depressed sales, property values have been forced to very low levels. On the other hand where land shows a tendency to increase in value and abundant mortgage money is available, houses are reported going up in substantial numbers.

In 60 per cent of the 275 cities reporting in the survey, real estate is selling at prices higher than a year ago. The larger cities seem to have been more favorably affected than the smaller. Turnover appears gaining momentum in practically all the cities reported, and again the increase is more rapid in the larger communities.

Small Houses Short

Two out of every three cities on this continent, apparently, are short of single family dwellings, while the gradual rise in rentals of apartments, duplexes, etc., is cited as a definite indication of a general shortgage in living quarters.

While little new development in the construction of apartment buildings is reported, the fact that existing apartments are now finding tenants for their less desirable cellar space is taken as an indication of the approach of the zero hour for apartment house building.

Rents Higher

"Detached houses," says the report, "even more generally than apartment houses show rents risen. They went up ten per cent or more in over 80 per cent of the cities reported, and up 15 per cent in one out of every three cities reporting. Rents for this class of dwelling are now estimated to be within 20 per cent of the 1926 level. In apartments, however, even in the major cities, rentals still less than 60 per cent of the 1926 level are the rule.

Coming to business property, the survey reveals less enthusiasm with only slightly over half of the cities reporting, showing higher rates than a year ago. Two small cities out of the survey show actually lower business property rentals, but no municipality over 200,000 in population reports any decline whatever.

Of the Canadian cities reporting, forty per cent state that real estate is more active, the same percentage say no change, while 20 report less activity. Sixty per cent report no change in selling prices, while 20 per cent report higher and 20 per cent lower.

On existing building nearly half the reports claim a shortage in single family dwellings, but there is an even break in apartments, that is, 20 per cent overbuilt in some cities and 20 per cent shortage in others with the remaining 60 per cent stating normal.

In business property, however, Canada is reported as over normal in 60 per cent of the cases reported and normal in the other 40 per cent.

Urges Insulation For New Homes

Every home in Forest Hill Village, crack Toronto suburb, would be properly insulated if S. W. Eakins of the village council had his way. He suggests that the building by-laws be amended to this effect. "A kindness to the ultimate purchaser," he explained.

"Ninety per cent of the houses in the village have at least one room they cannot use in the winter," said Reeve A. S. Leitch, who advocated a plan whereby plans for any new house should be passed by some competent authority as having adequate heating facilities.

Solicitor Melville Grant reported that council had the power to regulate the safety of dwellings, but not the heating.

Can. Bronze Dividend Up

Holders of Preference Pass Plan for Refunding Stock

From Our Own Correspondent

MONTREAL.—Directors of Canadian Bronze Co. have placed the common stock on a regular annual dividend basis of $1 a share, against a regular rate of 60 cents heretofore prevailing. This action was taken following a meeting of shareholders which approved the company's refunding plan.

According to a statement issued by W. L. Bayer, president, the increase in the regular rate may be construed as reflecting to an extent the savings being effected by the refunding.

Shareholders at the special meeting approved redemption of the company's outstanding 7 per cent preferred stock and the issue of a new 5 per cent preferred stock. At present there are outstanding $720,000 of $100 par 7 per cent cumulative preference shares, which it is proposed to redeem at $110.

This stock will be replaced by a new issue of 15,000 shares of 5 per cent cumulative redeemable preference stock of par value $100, of which 7,500 will be issued at this time.

It is the intention to give the present preference shareholders first opportunity to subscribe to the new stock.

Offer Houses Ready Built $35 a Month

To Push 6-room Dwellings With Equipped Kitchens

LOW FINANCING

Ready-built, modern houses on the time payment plan at $35 a month.

This is not the objective, but the actual result of the Harnischfeger Corp., which operates in the central states. This new small house is known and trade-marked as the "20th Century Home."

An aggressive advertising campaign throughout Southern Wisconsin is to be launched immediately to push sales of this ready-built house, according to Advertising Age.

Six Rooms

The home has six rooms and a bath, including two bedrooms, equipped kitchen and combined heater and laundry room. It is available with or without basement and with either hip or a flat roof. It will sell for less than $4,000, and it is expected will be financed under the new Housing Act of Washington at about $35 a month.

This sum will include interest, taxes, reduction of principal, insurance and service. This would mean the house would be completely paid for in about 20 years.

The Harnischfeger factory will be responsible for the erection of houses under supervision of its own experts. The framework is fabricated from steel sections bolted and welded together. Exterior wall assembly consists of weather and fire-resisting building boards, which insulate against heat cold and dampness. This type of construction is said to be fire and insect-proof.

Formerly the Harnischfeger Corp. was largely interested in the manufacture of cranes and other construction equipment.

Seek Protection On Repair Outlay

Winnipeg Interested in Rehabilitation of Rentable Premises

Real estate and construction interests clashed in regard to a Winnipeg council resolution, which proposes a municipal fund of $1 million for new housing, and $500,000 for rehabilitation. Both agreed on the rehabilitation end of the by-law, but the real estate people opposed the city entering the housing field.

It was stated rehabilitation is regarded as the solution of the housing problem, because at the present time there are many houses which would rent if repairs were made.

If the money could be raised at low rate of interest and legislation put through to ensure that the repayment of this money had first claim, then it is argued house owners would be in a position to effect the repairs and the city would be protected.

Western Building Is Off and On

Undoubtedly hindered by one of the severest winters in the history of western Canada, building has got away to a poor start in Winnipeg. For the first two months of the year, the value of construction listed by the city only amounts to slightly over $60,000, as compared with well over $300,000 for the same period a year ago.

But in sunny Alberta there is a different story. In Edmonton there is to be a brand new plant for Canada Packers estimated to cost upwards of $700,000, and another packing plant will make a $500,000 addition. North Star Oil Ltd. is reported to be putting in a storage plant valued at $40,000.

St. Lawrence Alloy To Build Plant

Beauharnois Power Will Supply 20,000 h.p. to New Industry

From Our Own Correspondent

MONTREAL.—St. Lawrence Alloys will commence construction work at Beauharnois, on May 1 on a $100,000 plant to manufacture ferro alloys.

This company was recently incorporated as a private corporation under Dominion charter. Through the issuance of 2,000 preferred shares of $100 par value and 5,000 common shares of no par value, the company has been financed by a Canadian group with whom are associated British and United States interests.

Use Beauharnois Power

Power requirements of the new industry will be supplied by Beauharnois Light, Heat and Power Co. A contract has been signed for 20,000 h.p. As the present construction programme of the company comprises only the first stage of a more extensive programme, the company will eventually require further blocks of power.

St. Lawrence Alloys will produce all grades of ferro silicon 45 per cent up; ferro manganese of both high and low carbon content; and silico manganese.

It is planned to ship these products to the United Kingdom and to various parts of the empire.

No Negotiations On Seaway Plan

Queried by T. L. Church, of Toronto, in the House of Commons at Ottawa the other day in reference to the St. Lawrence waterway, Hon. C. D. Howe, Minister of Railways and Canals, stated the Government would not be represented at the annual convention of the cities, towns and harbors of the Great Lakes in connection with the proposed seaway.

Asked if there had been any negotiations between Ottawa and Washington as to the basis of an agreement for carrying out such a project, Mr. Howe replied that there had been no communications of recent date.

Beatty Bros. Buys Plant

Russell Motors Sells Idle Galt Plant of Subsidiary

Beatty Bros. Ltd., manufacturers of electrical equipment and farm implements, has purchased the Galt plant of the Canadian Acme Screw and Gear Co. The latter firm is a subsidiary of Russell Motor Car Co.

Beatty Bros. will operate the Galt plant through Canadian Die and Tapping Co., new subsidiary. Zinc and aluminum parts will be made in the new plant, largely for Beatty Bros. own products. Installation of machinery will take two or three months.

Sales Increase

Sales of Beatty Bros. for the first six months of the current fiscal year are understood to have shown an increase.

It is still too early in the fiscal year to tell whether Beatty Bros. will improve on the net earnings of the year ended Aug. 31, 1935. Earnings were $276,580, and net profits after all charges were $165,339, compared with $33,821 in 1934. Earnings available for dividends on the first preferred amounted to $16.53 a share, and on the second preferred to $15.26 a share. Earnings on the Class A and B common stock were 40 cents a share, the first such earnings since 1930.

Building Products Ltd. Board Business Grows

From Our Own Correspondent

MONTREAL. — The volume of business handled by Buildings Products in rigid insulating board this year to date is considerably larger than in 1934, judging by the government's report on domestic shipments. While the report covers the shipments of three companies, namely, Building Products, Alexander Murray & Co. and International Fibreboard Co., the trend would indicate that each of the operators is doing much better this year.

100% CANADIAN STEEL

Specifications called for Canadian materials on this job, and many lines of Canadian business have benefited by the increased work.

If it is good business for Public Works to use Canadian Steel, is it not equally good business for private industry to do the same?

Specify 100% Canadian Steel for all your steel needs.

Built up Sections of Canadian Steel were used in the Dominion Public Building at Hamilton, erected by Hamilton Bridge Co., Limited, architects, Hutton & Souter.

DOMINION FOUNDRIES & STEEL, Limited
HAMILTON .·. CANADA

STEEL PLATE — TIN PLATE — STEEL CASTINGS

A Complete Service

The conveniently located offices of the Company are equipped to offer to the architect, builder and home-owner the most complete service available in gypsum and lime products.

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Operating All Over Canada
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EVERYTHING ELECTRICAL
for the Construction Industry

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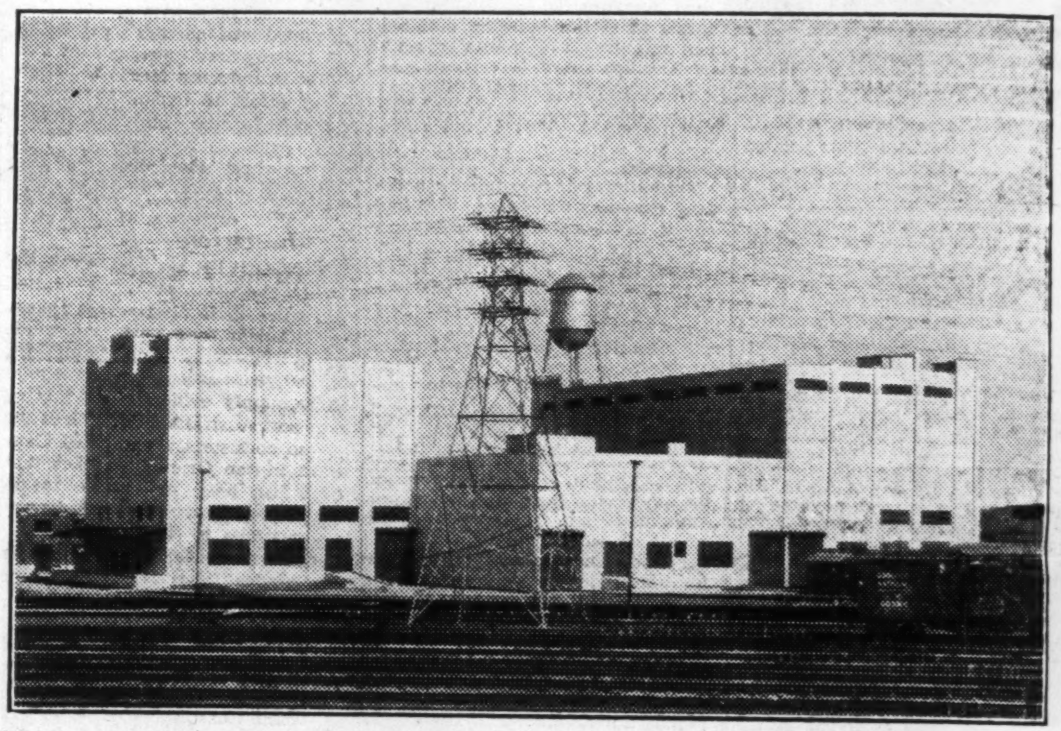
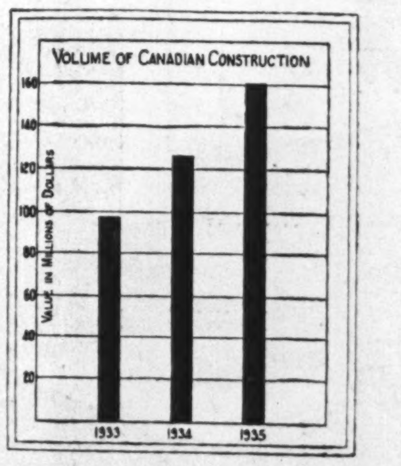


In Tune with 1936

Modernity is the key-note of the Nova Scotia Cold Storage Terminals plant, pictured above. Designed with an eye to the future, it is typical of the many industrial establishments constructed by us.

Perhaps we can serve you, too. Our diversified experience, extending over more than 25 years, our efficient personnel and up-to-date equipment are at your disposal. Consult us concerning your construction programme.



VOLUME OF CONSTRUCTION RISING

The increasing volume of construction in Canada is a response to the spirit of recovery coupled with the demand for increased production and present low construction costs. As business improves, construction costs rise ... Build now.

THE FOUNDATION COMPANY
OF CANADA
LIMITED

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Buildings
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TANKS
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•
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JOHN INGLIS CO. LIMITED
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STEEL STRUCTURES
RAILWAY AND
HIGHWAY BRIDGES
PLATE AND TANK WORK
ELECTRIC AND HAND POWER CRANES
HYDRAULIC REGULATING GATES
AND OPERATING MACHINERY
Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Gear Cutting, General Machine Work, Forgings.
DOMINION BRIDGE COMPANY
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Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

CAPITAL WANTED

ADVERTISER WISHES TO INTERVIEW party with $5,000 to $10,000 — sleeping partner or other arrangement, to manufacture and sell an industrial protective device, no competition in its field. Solid foundation. Apply Box 300, The Financial Post, Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 31st March, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 1st day of April, 1936, to shareholders of record of the 20th March, 1936.

By Order of the Board,
DUDLEY DAWSON,
General Manager.

Toronto, 13th February, 1936.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after
1st April, 1936,
to Shareholders of record on the books of the Company at the close of business on 14th instant.

By order of the Board.
WALTER GILLESPIE,
Manager.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1936, to all shareholders of record as at close of business on March 15th, 1936.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ont.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending March 31st, 1936, has been declared upon the paid in Capital Stock of the Company to shareholders of record on Friday, the 3rd day of April, 1936, at 4 o'clock p.m. and payable on Wednesday, the 15th day of April, 1936.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

Monday, March 16th, 1936.

Canada Iron Foundries Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1½% on the $100.00 par value 6% non-cumulative Preferred Shares of this Company has been declared for the half year ended December 31st, 1935, payable April 30th, 1936, to Holders of record April 15th, 1936.

By order of the Board.
M. S. GROGAN,
Secretary-Treasurer.

Dated at Montreal,
March 19th, 1936.

The Steel Company of Canada, Limited

PREFERENCE DIVIDEND NO. 99

Notice is hereby given that a dividend of forty-three and three-quarters cents (43¾c) per share on the Preference shares of the Company has been declared for the quarter ending March 31st., 1936, payable May 1st., 1936, to shareholders of record at the close of business April 7th., 1936.

By Order of the Board,
Hamilton, Ontario. H. S. ALEXANDER,
March 12, 1936. Secretary.

The Steel Company of Canada, Limited

ORDINARY DIVIDEND NO. 77

Notice is hereby given that a dividend of forty-three and three-quarter cents (43¾c) per share on the Ordinary Shares of the Company has been declared for the quarter ending March 31st., 1936, payable May 1st., 1936, to shareholders of record at the close of business April 7th., 1936.

By Order of the Board,
Hamilton, Ontario, H. S. ALEXANDER,
March 12, 1936. Secretary.

DIVIDEND NOTICES

Canadian Bronze Company Limited

DIVIDEND NOTICE.

THE quarterly dividend of 1¾% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of May, 1936, to Stockholders of record as of the 20th day of April, 1936.

Also a quarterly dividend of Twenty-Five (25c) Cents per share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending April 30th, 1936. Payable the 1st day of May, 1936, to Stockholders of record as of the 20th day of April, 1936.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
March 20th, 1936.

79th Quarterly Dividend

Notice is hereby given that a dividend of Thirty-seven Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the no-par-value Common Shares of the Company presently issued and paid-up for Quarter ending March 31st, 1936, has this day been declared to shareholders of record March 31st, 1936, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders April 30th, 1936.

By Order of the Board,
G. R. WHATLEY,
Secretary.

Montreal, March 23rd, 1936.

Montreal Light Heat & Power
CONSOLIDATED

Owned by 50,000 shareholders and debenture-holders. Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada

Germans Use Less Flour But Production is Up

While undoubtedly the biggest reason for the sharp decline in German wheat imports from Canada in the last few years has been due to increased domestic production, on the other hand Germany, in common with many other countries, reports a very considerable decrease in the per capita consumption of flour. This for all grades of flour during the period before the war amounted to almost 268 pounds. After the war it had declined to 237 pounds, but by 1933 had fallen below the 200 mark. For 1935 consumption amounted to only slightly over 191 pounds.

This decline applies to both wheat and rye flour. Incidentally, there is slightly more rye flour consumed in Germany than wheat, the per capita consumption being reported for 1935 as 99 of rye compared with 92.4 lb. of wheat flour.

Issue 15th Handbook of Government Loans

The fifteenth annual handbook of Canadian government loans has just been issued by Dominion Securities Corp.

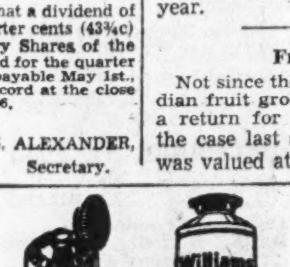
In 39 pages, the 1936 edition gives details of funded debt of Canada's 10 governments, and comparative financial statements of the provinces. In addition there are statistics on production, population, resources, etc.

Seeding By Air

Russian experiments in seeding wheat by airplane will be continued this year. Over a surface of almost 2,500 acres in 1935, it is reported a very even spread of seed was secured, even in the face of strong winds. A new centrifugal device is to be attached to the airplane this year.

Fruit Prices

Not since the year 1929 have Canadian fruit growers received so large a return for their produce as was the case last season. The 1929 crop was valued at $19,591,200.


Williams Luxury Shaving Cream
Williams Glider Brushless Shave

THE J. B. WILLIAMS CO., (CANADA) LTD.

In 1840 James Baker Williams, a young drug clerk in Manchester Green, Conn., evolved a soap designed particularly for shaving. So successful was his experiment that in 1847 he established a factory in Glastonbury, Conn., to make Williams shaving soap in its original form of a square cake.

Later on this was made round. Still later came shaving stick, shaving powder, shaving cream and, more recently still, brushless shaving cream.

Business has been conducted in Canada for over fifty years, a manufacturing plant having been established in Montreal sixteen years ago. This plant has now been replaced by a large and modern factory at Ville La Salle in the outskirts of Montreal.

Williams shaving products are advertised in—

Maclean's
Canada's National Magazine

Week in Wheat

U. S. Acreage Forecast Takes Life Out of Mart

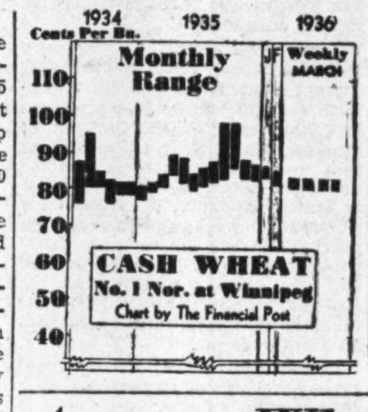
Shadow of Big American Crop Looms as Farmers Prepare Large Spring Acreage—European Demand Falls Off

From Our Own Correspondent

WINNIPEG.—The market has been dull and draggy. While there have been some substantial amounts of export business and exporters continue to make forward sales the total quantity is regarded as less than anticipated.

A United States official report indicating intention of farmers to increase spring wheat acreage to 22.4 millions had a bearish effect. Average yields on this acreage would give 273 millions of bushels. This when added to a possible 530 millions of winter wheat crop would give a total all wheat yield for the U. S. of 800 millions. Last year's total was slightly over 600 millions.

The trade does not expect the 1936 crop will reach the possible figure, and of course the outturn will remain highly problematical for the next few months. But the announcement has had a discouraging effect. Such strength as the international market gained from threatened troubles in Europe has petered out.



Argentine Corn

SURPRISE was caused by the first Argentine government estimate of the corn crop, put at 355 millions of bushels. For a time it was believed an even larger crop than that of last year might be secured, when the total was 450 millions, much the largest on record. But rainy and otherwise unfavorable weather has impaired prospects in recent weeks. Indirectly Argentine corn exercises a considerable influence on the international price of wheat. It is much the cheapest grain going into the international grain market, and by its abundance and cheapness tends to displace the lower grades of wheat.

* * *

Argentine Control

WHILE probably most Argentine farmers do not expect the present high minimum wheat price will be extended into another year, if a good crop should be harvested, it is recognized nevertheless as a factor in inducing farmers to make every effort to expand this year's acreage to the utmost possible. This particularly applies to the winter wheat now being sown.

* * *

To the Orient

VANCOUVER has been heartened by the sale of some limited quantities of No. 5 wheat for Shanghai. Canada has not done much wheat business with China for several years except for a little high grade supply evidently for mixing with soft Australian. But the latter has so consistently undersold Canadian in the Oriental market that there has been no chance to do volume business. That discrepancy still prevails so far as the higher grades are concerned but on the low grades there is a chance of underselling Australia.

* * *

Subsidized Flour

SUBSIDIZED flour export from Pacific Coast states has been resumed under authority of the United States government. The movement so far is confined to the market in the Philippines. That market was formerly supplied almost entirely from the United States, but lately has been largely satisfied with flour manufactured in Japan, to some extent from Canadian and Australian wheat.

Formerly subsidies on Pacific Coast wheat were paid out of A.A.A. processing tax revenues. These are now shut off as unconstitutional. Present procedure is being taken under powers granted at the last session of Congress to the government to use up to 30 per cent of customs receipts to further the export of farm produce. President Roosevelt is reported to be unfavorable to the general principle of subsidized export of farm products, but the interest of the United States in the Philippines appears to make a special case of the market there.

Argues Wheat Pool Was Victim of Fate

Circumstances Beyond Its Own Control, Says Michigan Observer — Sees Subsidy Necessary in Liquidation of Carryover Grain

The Canadian wheat pool was the victim of circumstances beyond its own creation or control.

This is the conclusion reached by Dr. Harold S. Patton, of the Michigan State College of Agriculture, in a pamphlet entitled, "The Canadian Wheat Pool in Prosperity and Depression." The pamphlet has recently been published by the Canadian Wheat Pool.

The chief criticism that may be brought against the pool, argues Dr. Patton, "is that its leaders failed in the period from 1929 to 1931 to judge the future with greater discernment than the Canadian grain trade in general, or the Federal Farm Board in the United States."

1929 Payment Too High

In setting its initial payments for the 1929 pool, and in marketing its stock, the pool allowed itself to be influenced more by the experience of the past few years and by the purely statistical position. than by an appreciation of an unbalanced international economic situation and of the reactions of the national psychology in European countries. Probably no one could foresee the depth, violence and the duration of the ensuing world depression, admits the author, in which wheat prices in exporting countries were borne down to the lowest levels in trade history, amid the general collapse of all values, except that of gold.

Dr. Patton traces the development of the pool from its origin in 1924 through to its boom period 1928-1929, when it handled over half the wheat marketed in Western Canada.

Critical Period

The pool entered the 1929-30 crop year with a carryover of 62 million bushels of unsold wheat, or 41 per cent of Canada's total carry-over. "At the opening of the 1929-30 crop year, the statistical position outwardly appeared somewhat easier," comments Dr. Patton of this critical juncture in the history of the pool, "and was reflected in rising prices on the speculative markets. Winnipeg prices were carried above the $1.50 mark for December. Severe drought conditions in Western Canada indicated a crop of only about one-half of the regular harvest of the preceding year, while prospects were for much smaller crops in other exporting countries."

Under these conditions the pool announced for 1929 deliveries an initial payment of one dollar per bushel, or an increase of 15 cents over the first payment of the previous year.

This was unfortunate, according to Dr. Patton, because prices began to decline with the movement of the 1929 crop and the stock crash in October of that year transmitted to the grain market, was an additional shock.

At the end of that critical year, the pool found itself with 67 million bushels of unsold wheat, or slightly over half of that held by all the grain agencies in Canada.

Won Collective Marketing

Then followed the era of John I. McFarland. "In effect, the pool had been put under a receivership," states Dr. Patton.

Dr. Patton carries his story up to the introduction last June of the Wheat Board by the late Bennett Government. "Although the pool contract system has collapsed, the pool organizations have finally achieved legislative realization of their larger objective of a collective marketing through a national grain board," he says. But Dr. Patton, of course, is referring to the Board under Mr. McFarland and not under the present agency which has announced a vigorous sales policy at world prices. Moreover, since that recent announcement, upwards of 75 million bushels have been sold.

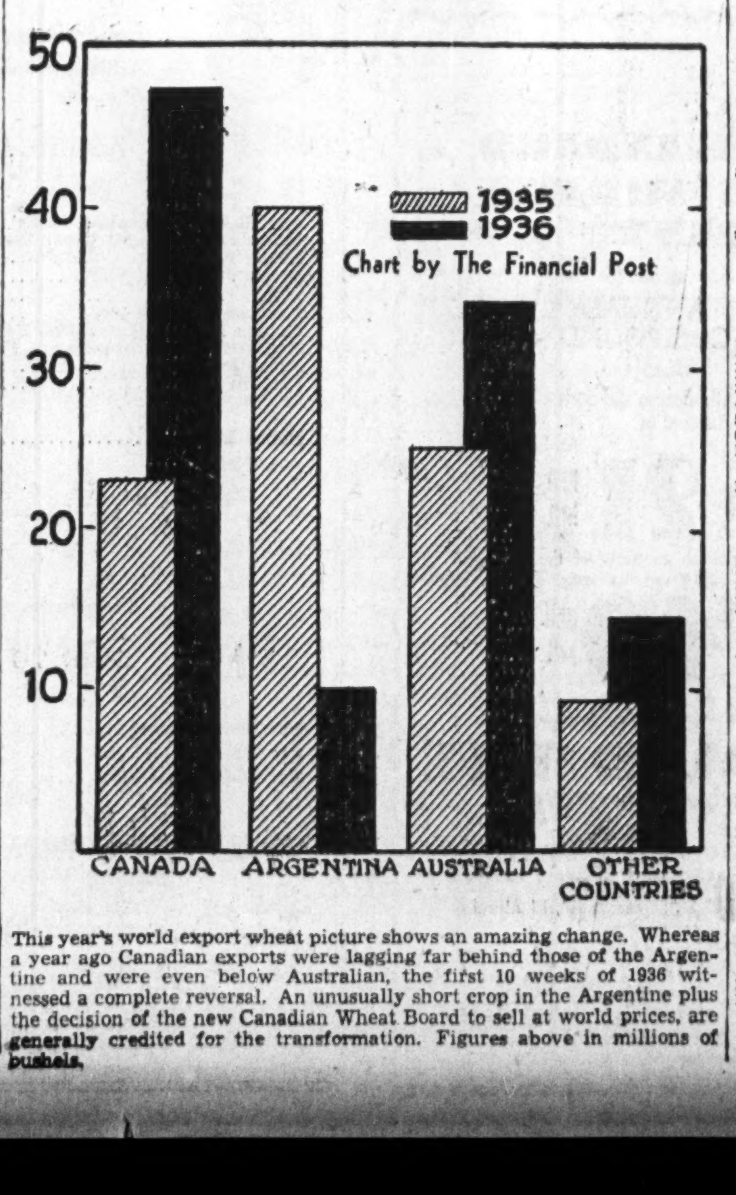
Must Reduce Acreage or—

Regarding the future, he argues that it is apparent that the disposal of the stabilization holdings in conjunction with a minimum price acceptable to producers must necessarily involve a government subsidy. Lacking improvement in the international wheat situation, he states that Canada's wheat acreage must inevitably be adjusted to a lower export volume than that thought possible fifteen years ago.

Such an adjustment he already sees in evidence by an increase in the trend toward the feeding of coarse grains and off-grade wheat to livestock, stimulated by preferences afforded Canadian bacon and dairy products on the British market under the Ottawa agreements.

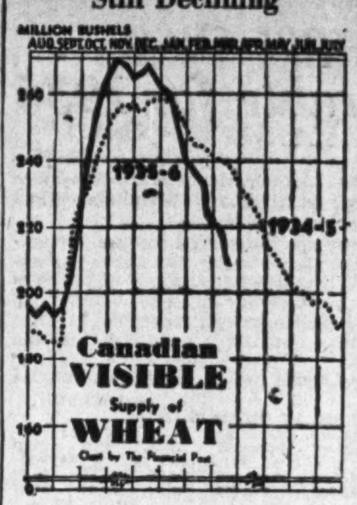
But the Prairie Provinces, he adds, are conspicuously adapted to the production of high-protein wheat, and Canada has developed a system of grading, storage and transportation for grain superior to that of any other country.

World Wheat Shipments



This year's world export wheat picture shows an amazing change. Whereas a year ago Canadian exports were lagging far behind those of the Argentine and were even below Australian, the first 10 weeks of 1936 witnessed a complete reversal. An unusually short crop in the Argentine plus the decision of the new Canadian Wheat Board to sell at world prices, are generally credited for the transformation. Figures above in millions of bushels.

Still Declining



Canadian visible wheat in marketable positions declined almost two millions of bushels last week. A lighter export coupled with the fact that farmer deliveries to country elevators have made a spurt since the warmer weather of a few weeks ago, is responsible for the slower decrease in Canada's stocks.

Details are as follows:

Canadian Visible March 19	Week previous	Last year
212,258,000	214,212,000	234,248,000

Norris Proposed Head New Chicago Grain Firm

Formation of a new company has been planned by the bondholders' committee for the Chicago Elevators Properties, Inc., a subsidiary of the Rosenbaum Grain Corp. which controls the latter's grain elevators.

James Norris, president of the Norris Grain Company, has been proposed as head of the new organization. Mr. Norris will be given control of the new company with 51 per cent of the stock in exchange for $100,000 of new working capital.

Wheat Prices

(Cash Quotations)
For Week

At Winnipeg:	Mar. 24 High $	Mar. 24 Low $	Prev. Week High $	Prev. Week Low $
1 Man. Hard	.83⅜	.82⅛	.85¼	.83¾
1 Northern	.82½	.81¼	.84⅜	.82¾
2 Northern	.80⅛	.78¾	.82	.80½
3 Northern	.75⅞	.74½	.77¾	.76¼
4 Northern	.72⅝	.71¼	.74½	.72¾
5 Wheat	.64⅞	.63⅛	.67	.65
6 Wheat	.54⅞	.53½	.57	.55⅜
Feed Wheat	.47⅞	.46½	.50	.46½
Vancouver: Week to Mar. 20:				
1 Northern	.83⅞	.81½	.84¼	.82¼

Competitive Export Prices:
(March) shipment:

	High Week to Mar. 20	Low Week to Mar. 20
No. 1 North. (Vanc.)	1.01⅞	0.99⅜
No. 2 North. (Atlan.)	0.99⅜	0.96¼
No. 2 North. (Vanc.)	1.00⅛	0.98¼
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.93⅛	0.90½
Australian	0.94¾	0.92⅜
French	unquoted	

Wheat Pools Secure More From Ottawa

Treasury Will Pay Out About $7 Millions to Farmers

REACH SETTLEMENT

From Our Own Correspondent

OTTAWA.—The past week has seen a determined and partially successful effort by the wheat pools to improve at the expense of the treasury the terms of the settlement beween the government and the central selling agency. This settlement will retire the pools from the wheat picture in which they were deeply involved during the McFarland regime. Mr. McFarland acted for the government from 1930 (December) until last December, and for all of the time, except the last four months, he was the general manager of the central selling agency.

They Better Terms

The Bennett-McFarland settlement with the pools, announced last October, called for a payment of $8,263,000. The new settlement now before Parliament will cost close to 7 millions, against $4,900,000, the cost of the original settlement proposed by the King government. The pools have persuaded the government to part with an additional $2 millions, but are still better than a million dollars down on the October figure. The settlement, it is learned, comprises these features:—

Prices paid to pool wheat growers on the 1930 crop will be stabilized at 60 cents per bushel (the interim payments were 70, 60, 55 and 50 cents) and this will be calculated on a basis which will net these farmers $5,900,000.

Government to Pay Loss

Durum wheat growers in Manitoba will get a premium on their 1930 crop which they lost because the Manitoba pool became insolvent—cost $400,000. The profit made by the central selling agency on the rye and flax pools will be returned. The losses on oats and barley will be met by the government. Except for the profits, all payments will be made through the wheat board and not through the pools—a defeat for the pools—and the operating costs of the 1930 pools will not be paid by the government.

New Wheat

Kansas, which in the last five years has had an average production of 170 millions of bushels, is much in the wheat market eye just now. While the crop is reported "greening" nicely, the top soil is still deficient in moisture. If rains fall to arrive soon, there is grave danger of blowing. Latest estimates claim that a crop of 130 millions is possible.

* * *

British India reports a decrease of one per cent to 32.7 millions of acres of wheat this year. Present crop prospects are considered fairly good despite unfavorable climatic conditions at seeding.

* * *

European crops generally are reported to have come through a very severe winter in fair shape. There are, however, two notable exceptions. The French wheat crop has suffered from too much moisture, while a sharp acreage reduction is reported from grain-growing Roumania.

* * *

Russia reports a larger wheat acreage than a year ago, and also that the fall sown crop has wintered satisfactorily. Ordinarily, this variety in Russia accounts for about one-third of the total wheat acreage.

* * *

Under favorable moisture conditions, Argentine farmers are preparing to sow a slightly larger acreage of winter wheat than was put in last year.

* * *

Another attempt is to be made to promote the growing of wheat in Brazil, where at present there is a negligible production of low quality. Normally 65 per cent of the country's requirements are imported from neighboring Argentine. Special varieties of wheat suitable to climate and soil of the State of Rio Grande del Sud are being distributed free by the state authorities.

* * *

Weather conditions throughout the southwestern United States are reported dry, with the top soil already showing a tendency to blow.

Best Wheat Sales Since Feb. 1931

Over 118 Million Bushels So Far This Season

February export clearances of Canadian wheat of almost 19 millions of bushels were the best figures for that month since 1931. They were more than a million higher than in January.

For the first seven months of the current crop year which commenced August 1 last, export clearances total slightly over 118 millions of bushels. This compares with 89.7 millions in the corresponding period in 1935.

Winnipeg Grain Prices

Week to Mar. 24, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open Mar. 18	High for week	Low for week	Close Mar. 24
		Wheat				
1.02¼	.82¼	May	.84⅜	.84½	.82	.82½
.92⅞	.83	July	.85⅜	.86⅝	.83	.83⅜
.89	.82½	Oct.	.85¼	.85½	.83⅝	.83¾
		Oats				
.35⅝	.29⅝	May	.32	.32⅛	.30⅝	.30⅞
.33⅝	.30	July	.32	.32	.30⅞	.31¼
		Barley				
.42½	.34⅝	May	.38¾	.39	.38½	.38⅝
.40¼	.35⅝	July	.38⅝	.39⅝	.38⅝	.38⅝
		Flax				
1.65	1.33	May	......	1.58½	1.57	1.57
1.63	1.40¼	July	1.55¾	1.54½	1.54¼	1.54½
		Rye				
.51⅞	.41¼	May	.45½	.46⅝	.43⅝	.44
.48½	.43⅝	July	.46¼	.46⅝	.44⅝	.44⅝
.49	.46⅝	Oct.	.47¾	.47⅝	.46½	.46½

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Life Business For February Up 6 Per Cent

Best February Sales Since 1932—Seven Provinces Show Gains

$30.5 MILLIONS

A gain of 6 per cent in new ordinary life insurance sold during February is recorded for Canada and Newfoundland by returns to the Sales Research Bureau.

The February total (though seasonally lower than January sales) reached almost $30.5 millions—the best figure for that month since 1932.

The figures include only ordinary insurance on a paid-for basis and are exclusive of annuity and pension plan sales. They are compiled monthly from 19 companies which at the first of the year had 90 per cent of the business in force in Canada and Newfoundland.

U. S. Figures Slump

Comparative figures for ordinary life sales in the United States in February show a drop of no less than 13.8 per cent. Industrial business in that country in the same month was higher by 1.5 per cent than in 1935 while group sales soared 49.6 per cent.

Cumulative Sales Gain

Comparative figures for Canadian provinces and for monthly sales in the past few years are shown below. It will be noted that both in February and January, Canadian sales have been ahead of 1935 the cumulative total for the two months showing an increase of almost 5 per cent.

Ordinary Life Sales*

	Feb. 1936 ($000)	Feb. 1935 ($000)	Jan. 1936 ($000)
Alberta	1,092	1,286	1,313
Br. Columbia	2,491	2,022	2,454
Manitoba	1,487	1,425	1,537
N. B.	814	734	675
N. S.	1,149	1,172	1,201
Ont.	13,742	12,645	16,746
P. E. I.	130	92	94
Quebec	8,952	8,236	8,869
Sask.	953	864	1,162
Nfld.	164	240	170
	30,474	29,036	34,221

Sales by Months, 1933-1936

($000's omitted)

	1933 $	1934 $	1935 $	1936 $
Jan.	29,928	27,728	32,988	34,221
Feb.	28,095	29,036	28,716	30,474
March	31,768	32,564	31,416	....
April	30,501	33,296	28,900	....
May	31,916	33,184	27,423	....
June	34,114	32,277	32,112	....
July	32,165	33,951	32,155	....
Aug.	29,749	26,659	26,854	....
Sept.	27,443	26,123	26,696	....
Oct.	33,434	31,342	30,416	....
Nov.	36,061	35,863	35,158	....
Dec.	36,967	37,691	36,550	....

*As compiled by Sales Research Bureau of Hartford from returns of 19 companies which at Jan. 1, 1936 had 90 per cent of total business in force in Canada and Newfoundland.

Dividend Warning For Underwriters

G. D. Finlayson Urges Aid For Participating Policies

Life insurance companies must avoid anything in the nature of estimating future dividend rates to policyholders, said G. D. Finlayson, superintendent of insurance for Canada, before the annual educational congress of the Life Underwriters' Association of London recently.

While not usually estimating what the dividend scale would be five years hence, the companies have shown a tendency to assume that existing scales would project indefinitely into the future, said Mr. Finlayson.

Aid Participating Policyholders

Participating policyholders, noted Mr. Finlayson, had borne the brunt of the depression as far as life companies were concerned, and companies must do all they could to help them by cutting expenses, legislative concessions, by diverting as large a share as possible of shareholders' profits.

Regarding the all-important matter of the interest rates, Mr. Finlayson stressed the fact that life companies, in order to live, must have a reasonable amount of interest-bearing securities, and that a solution of the debt and interest problem must be found which would produce a reasonable happy medium rate of interest, which would be in the best interests of all. Life companies, he observed, should be assured that when they make an investment at a reasonable rate that rate would be maintained according to the contracts.

No '35 Life Business For U. S. Continental

Continental Assurance Co. of Chicago, Illinois, reports no life insurance business issued or written in Canada in 1935, according to R. D. Bedolfe, chief agent for the company in Canada.

This company was licensed during 1935 to transact life insurance business in Canada, and assets in the Dominion as at the end of 1935 amounted to $111,479. Total assets of the company are over $22 millions.

Annual Meeting Held in Hospital

Montreal Life Insurance Co. made corporate history for the life insurance business last month by holding its annual meeting in a hospital.

The reason was that Arthur P. Earle, president of the company, was taken ill a short time prior to the meeting, and rather than postpone the event, William Penman, actuary and life department manager of the Atlas Assurance Co., which controls Montreal Life, and who had come from England to attend the meeting, suggested the change in locale.

"This was probably the first time on record that the annual meeting of a life insurance company was held in a hospital, presided over by a chairman in a wheel chair," says Mr. Earle.

London Life Views Results

Substantial Demand For Protective Plans in 1935 Sales

A substantial demand for protective plans of life insurance coverage is shown by an analysis made by London Life Insurance Co. of the ordinary insurance issued during 1935.

This analysis shows that of $35 millions of business placed by the company last year, $19.8 millions was participating and the remainder non-par.

Annual Premiums Popular

Other facts gleaned by the company in looking over its last year's business were that in 1935 the percentage of ordinary business calling for the payment of annual premiums remained level with the 1934 figure — namely, 48 per cent. There was an increase in the proportion of business on which semi-annual premiums are payable, from 15 to 18 per cent.

Quarterly premium percentage advanced from 21 to 23 per cent. Monthly premium business constitutes nine per cent of the company's total, compared with 15 per cent in 1934, although the former figure excludes optional retirement annuities.

Analyzed according to disability coverage, the company finds that in 1930, 54 per cent of its business carried the disability provision. By 1934, this had dropped to 25 per cent, but last year a gain was shown for the first time to 30 per cent of total business issued.

Collections and Deposits

Collections in the company's ordinary branch in 1935 were 91 per cent, or 2.15 per cent greater than the previous year. The 1935 figure was the highest since 1929. During the year, there were opened up 456 new deposit accounts to provide for future premiums. Such accounts are opened when two or more annual premiums are paid in advance. For the second consecutive year, there was a reduction in the number of loans on ordinary policies — 10 per cent in number and seven per cent in amount.

Health and Death Claims

In 1935, 1,430 policyholders took advantage of the company's offer of free health examination and in the same year the company paid 3,348 death claims, an increase of 98 over 1934. Matured endowments numbered 4,644 compared with 5,108 the previous year although, in amount, there was an increase from just over $1 million in 1934 to almost $1.3 millions in 1935. Of the total matured endowments, 4,249 were industrial.

Policies Analyzed

Detailed analysis of the types of policies issued by London Life during 1935 follow:

Business Issued 1935

	No.	Amount $
Participating		
Jubilee Life	832	4,547,416
Jubilee 20 Life	95	516,500
Earning Power Series	642	3,978,056
E. at 85 Series	3,370	5,060,325
Pensions	882	3,292,625
Mo. Invest. Bond	500	1,085,364
Other Invest. Series	823	1,142,763
Reinsurance	20	214,756
Total Par	7,164	19,837,805
Non-participating		
Duplex Series	4,937	7,271,528
Quarterly Series	824	852,138
G. E. P. Life	644	4,207,134
Term N. P.	264	1,402,857
Prel. Term N. P.	90	247,714
Other N. P.	103	845,770
Reinsurance	36	374,190
Total N. Par	6,898	15,201,331
Grand Total	14,062	35,039,136

Great-West Business Gains 20 Per Cent

New business placed by Great-West Life Assurance Co. during the first two months of 1936 shows a gain of 20 per cent over the corresponding figures in 1935.

Gains were shown in 21 branches of the company's organization, there being applications on 2,775 lives—an increase of 339 lives over the same period last year.

Metropolitan Life Gets Miner Rubber Co. Group

Metropolitan Life Insurance Co. reports a group policy recently taken out on the 651 employees of the Miner Rubber Co., Granby, P.Q.

This represents 87 per cent of the eligible employees of that company.

Ontario Fire Experience More Favorable for 1935

Premiums written by fire insurance companies in Ontario last year were somewhat lower than in 1934, but loss experience was much more favorable. As a result, the ratio of losses incurred to net premiums earned dropped to well under last year's levels in most cases.

Most favorable experience for the year was reported by mutual companies with a loss ratio of 34.19. However, this was the only group to show a ratio higher than in the previous year. The 1934 figure was 33.04 per cent. The mutuals were closely followed by joint stock companies, whose ratio dropped from 40.8 to 34.73. Reciprocal exchanges still report the greatest proportionate losses, although more than two thirds were cut from the 1934 ratio of 185.04.

Premiums written by non-marine Lloyd's, which are shown for the first time, totalled $194,280.

FIRE PREMIUMS AND LOSSES IN ONTARIO—1935

Companies:	Net prems. written	Net losses incurred	Earned loss ratio 1935	1934	1933
Recapitulation:	$	$	%	%	%
Joint stock companies	13,361,203	4,630,206	34.73	40.80	50.38
Mutuals*	783,685	263,583	34.19	33.04	37.37
Cash Mutual Insurance:					
(a) Without share capital	1,617,791	642,212	43.99	48.46	57.13
(b) With share capital	210,099	70,831	39.51	44.96	45.07
Reciprocal exchanges	266,004	159,423	60.79	185.04	47.24
Non-Marine Lloyd's	194,280	57,648	45.27	....	....
New England Fact. Mutuals	713,151	22,401	†0.084	....	....

*Apart from Farm Mutuals and New England Factory Mutuals.
†Ratio of net losses to net amount at risk (per $1,000).

Montreal Life Dividends Up

Annuity Rates and Policy Dividends Increased—Other Changes

An increase in annuity rates, effective April 1, 1936, is announced by Montreal Life Insurance Co. The company reports that at the present time its rates are generally lower than those charged by other companies and that a little over a year ago when a general increase in rates became effective, no action was taken.

The company states no changes will be made in present premium rates on regular plans of participating and non-participating insurance but that the scale of dividends to participating policyholders has been increased by 10 per cent for 1936.

Income Policies Changed

The company is also announcing important changes respecting retirement income policies. Effective April 1, the unit of premium although remaining at $100 will have added to it for the first year only, an extra premium of $25 for each $100 of regular premium. Similarly, the amounts of monthly income payable under the company's policies will be reduced by seven per cent, and in the event of death before maturity the company will return all premiums paid without interest, or the cash value of the policy, whichever amount may be the greater.

This new death benefit is somewhat less than formerly, when the return of all premiums paid with 3½ per cent compound interest was allowed. In the event of death before maturity, the extra premium of $25 payable the first year only will be returned. Cash options at maturity remain unchanged, and the non-par retirement income policy may be obtained once again on the new basis, the company reports.

Dividends Increased

Another change is in the company's protective pension bond policy, on which the pension available at maturity will be reduced by seven per cent, although premiums and cash options will remain unchanged.

A further change is the announcement that the company's postponed participation policies inaugurated some years ago will be withdrawn on and after April 1.

Mutual Benefit Health Reports 6-mos. Business

Premium income on Canadian business of the Mutual Benefit Health & Accident Association to the end of 1935, representing about six months' operations, amounted to $40,558. Claims in the same period totalled $8,915. Surplus in Canada at the year end was $46,726 and the deposit maintained at Ottawa $44,000.

Total assets of the association as a whole amount to $3.8 millions, the largest part of which is comprised of securities and cash. Surplus to policyholders is $400,000.

Wawanesa Registers in Nova Scotia

The Wawanesa Mutual Insurance Co. and its sister company the Wapiti, have made registration to write insurance in Nova Scotia. Both companies will write fire, weather and automobile lines.

Insurance Shares Directors

G. Larratt Smith and Prof. M. A. Mackenzie have been elected directors of Canadian Insurance Shares, Ltd.

FIDELITY
Insurance Company
of Canada
TORONTO

Sun Life Computes Its Interest Rate

Five-year Average 4.32 Per Cent—20-year Figure 5.79

An average gross interest rate of 4.32 per cent was earned during the five-year period 1931-1935 by Sun Life Assurance Co. of Canada, according to figures prepared by the company recently. In 1935, the company's interest rate on the "blue book" basis increased to 4.11 per cent compared with 4.06 per cent at the end of the previous year.

Average interest rates earned by the company in five-year intervals from 1916 to 1935 are shown below. The average rate during the period 1916 to 1935 earned by the company was 5.79 per cent.

1916-1920	5.78%
1921-1925	6.27%
1926-1930	6.78%
1931-1935	4.32%

Auto Insurance Field Uncertain

Rumors of Withdrawals From Ontario Are Unconfirmed

The automobile insurance situation in Ontario has been the subject of much uncertainty in recent weeks. Rumors have been rife that several prominent companies were dropping out of the field, but as yet no definite action has been taken. Reason for the rumors is, of course, the unfavorable loss experience, with prospects indicating no alleviation of claims and rates stabilized by the Canadian Underwriters Association at their present level for another year.

Some time ago the Provident Assurance Co. discontinued writing private automobile business in the province. Last week a Toronto newspaper carried a story to the effect that the Pilot had withdrawn from the Toronto area. This story was later retracted in full, and officials of the company state no such action is contemplated. Other companies, notably the General of America, have been said to be discontinuing, but apparently no decision has been as yet reached by the companies' directors.

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prompt settlement of claims

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Portage la Prairie, Man.
TORONTO WINNIPEG REGINA CALGARY

WRITING FIRE AND WINDSTORM

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THE STANDARD LIFE ASSURANCE COMPANY
has declared the
ANNUAL COMPOUND BONUS
addition to the Sum Assured of . . . .
$21 PER MIL
yielding to many of the older members over
$40 PER MIL
on the original sum assured with corresponding cash dividends

Ask for copy of the ANNUAL REPORT

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Head Office for Canada, 391 St. James Street, Montreal

ONTARIO BRANCH MANAGERS
WILFR'D POCKLINGTON 24 King St. W., Toronto
J. B. HAMILTON 422 Richmond St., London
A. G. S. GRIFFIN 36 James St. South, Hamilton
J. H. BRUCK 35 Sparks St., Ottawa

Credit Companies In Amalgamation

Commercial Credit to Take Over American Indemnity

Subject to approval by the directors of the companies, negotiations have been concluded for the acquisition of American Credit Indemnity Co. by the Commercial Credit Co. The latter company is applying to the United States' Securities and Exchange Commission for issuance of 50,000 shares of common stock which will be exchanged for those of American Credit on a share for share basis. The exchange is conditional, however, on deposit of 40,000 of the outstanding 50,000 shares of the American Credit Co. for exchange.

No change in conduct of present business or in personnel is contemplated.

The American Credit Co. issues policies of indemnity under which manufacturers and wholesalers are insured against credit losses in excess of an agreed percentage of total sales. In addition it guarantees against loss through failure of specific customers.

Commercial Credit Co. has two chief functions. First, it purchases current open accounts from manufacturers and wholesalers who pass their own credits, take the risk of loss, and make their collections as usual from their customers who are not notified of the sale of their accounts. Secondly, it carries on a "factoring" business, whereby it purchases receivables and itself passes the credit, takes the risk of loss and collects direct from the customers who are notified on their invoices that remittances are payable to the factor.

Commercial Credit Co. reported gross purchases of all receivables in 1935 of $526 millions.

Insurance Inklings

Robert Hampson & Son, Ltd., of Montreal, has been appointed general agent for Canada for the Maryland Casualty Co.

The Svea Fire & Life Insurance Co. has been admitted to the Canadian Underwriters' Association.

The Canadian General Insurance Co. has amended its $5 automobile accident policy to read "in consequence of being struck, run down or over by an automobile." Previously this clause read as above with the addition of "while walking on or across any public highways."

'Peg Life Companies Join Hartford Bureau

Since the beginning of the year, two Canadian life insurance companies have taken out membership in the Life Insurance Sales Research Bureau of Hartford.

They are Sovereign Life and Western Empire Life, both of Winnipeg.

Total membership in the Association is now 129 companies.

Would Refund Premium

Legislation requiring fire insurance companies to refund premiums when loss claims are less than the face value of a policy has been introduced into the Manitoba legislature. In such instances, the company would be required to pay back premiums paid on the difference between the value of the policy and the loss settlement.

Flood Insurance Enquiry Subject

Flooded areas in the Maritimes and in Eastern Ontario have led to a number of enquiries regarding flood insurance. The Financial Post is informed that the volume of flood insurance written by stock companies is almost negligible, and that most of the business written is carried through Lloyd's Underwriters.

Applicants who ask for coverage at the present time are not likely to be good risks is the opinion of those in the business. It is pointed out only those in areas where floods are imminent are at all anxious to take out this type of insurance. As a consequence, even Lloyd's are none too anxious to handle the business.

Those who have taken out flood insurance in previous years have done so at very low rates. Cost is said to vary according to the distance of the insured property from water and other considerations which make it necessary to rate each case on its own merits.

Dom. of Canada General Resignation Is Effective

The resignation of the Dominion of Canada General Insurance Co. from the Canadian Underwriters' Association became effective last week. Henceforth the company will write "non-tariff" business. It is understood the break is quite definite although friendly relations are being maintained. Little expectation is held the company will rejoin the association in the near future.

New Licenses

Canada Security Assurance Co. has been licensed by the federal department of insurance to write falling aircraft and earthquake insurance on properties it insures against fire.

Svea Fire & Life Insurance Co has been licensed by the Ontario department of insurance to write fire, automobile, sprinkler leakage and weather insurance in that province for the term ending June 30, 1936.

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· Montreal ·
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The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
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Save up to 30 per cent. on your Fire Insurance by participating in these annual dividends. Full information will be gladly supplied by our nearest branch office.
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Non-Assessable Policies Assets $6,000,000

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HEAD OFFICE LONDON, CANADA

SIXTY-FIRST
ANNUAL STATEMENT
INDEPENDENT ORDER OF FORESTERS

Policy Reserves	$39,857,568.00
Additional Reserves	1,500,000.00
Surplus	1,726,323.38

ASSETS AND LIABILITIES, DECEMBER 31, 1935

ASSETS

Real Estate (Appraised Value)	$ 6,300,550.50
Loans on Mortgages (Real Estate)	5,813,384.69
Loans secured by Collateral	396,139.92
Bonds at Market Value	23,988,312.18
Stocks	487,104.00
Accrued Interest, etc.	518,223.21
Golden Jubilee Benevolent Fund	123,946.58
Orphans' Home Endowment Fund	19,611.72
Juvenile Fund	93,126.39
Cash in Bank	652,682.53
	$38,393,081.72
Policy Loans	6,159,081.02
	$44,552,162.74

LIABILITIES

Claims not Completed	$ 96,558.51
Death, Disability and Sickness Claims Reported in 1936	159,251.46
Premiums paid in Advance	20,967.50
Net Sickness Fund	241,512.46
Golden Jubilee Benevolent Fund	123,946.58
Orphans' Home Endowment Fund	19,611.72
Juvenile Fund	93,126.39
	$ 754,974.62
Insurance Reserve	40,030,263.74
Special Reserve, Pension Grants, etc.	540,601.00
Interest Reserves	1,500,000.00
Surplus	1,726,323.38
	$44,552,162.74

INCOME
Premiums and Interest, etc. $5,420,264.46

PAID TO MEMBERS AND THEIR BENEFICIARIES
$4,023,988.92

For Death Claims	$2,665,773.27	For Expectation of Life	$ 37,170.56
For Old Age	808,830.63	For Sickness and Funeral	78,318.04
For Disability Claims	89,366.08	For Surrender Values	341,883.73

Grants from Surplus $2,646.61

ORPHANS' HOME, SANATORIA AND GRANTS
$81,449.06

Total Payments to Members and Their Beneficiaries Since Organization
$126,857,375.15

FRANK E. HAND, Supreme Chief Ranger.
JOHN F. LANG, Supreme Secretary.
CHARLES HAMM, Supreme Treasurer.

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Speaks to Young Men
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to Cherbourg and Southampton
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Apr. 15 AQUITANIA
Apr. 22 BERENGARIA
to Cobh, Southampton, Havre, London
Apr. 20 GEORGIC
May 2 BRITANNIC
to Cobh, Havre and Southampton
Apr. 6 BRITANNIC
to Cobh and Liverpool
Apr. 11 ANDANIA
to Glasgow, Belfast and Liverpool
Apr. 4 CARINTHIA
Apr. 17 SAMARIA
May 1 CARINTHIA
to Galway, Cobh and Liverpool
Apr. 25 SCYTHIA
to Plymouth and London
Apr. 2 AUSONIA
Apr. 9 ALAUNIA
'Calls at Boston following day
'Calls at Galway before Cobh

from HALIFAX*
to Plymouth and London
Apr. 5 AUSONIA
Apr. 12 ALAUNIA
to Belfast and Liverpool
Apr. 5 AUSONIA
*Embarkation previous evening

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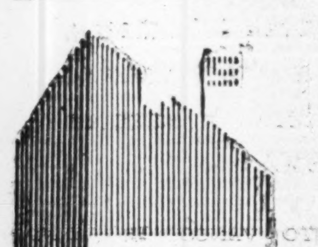

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ATLANTIC CITY

Bank Chat

Credit Dividends

IF IT were not for the seriousness of the whole situation, it would be amusing to note the attempts of prominent social crediters to wiggle out of the $25 a month dividend "promise." Just recently, E. H. Hansell, social credit M.P., told a New York audience that no one ever promised to give $25 a month to the inhabitants of Alberta, and that Americans had been misled to believe that social credit is similar to the Townsend Plan in its aim to distribute a fixed cash sum to some specified group. Similar utterances have been heard with increasing frequency as it becomes apparent to an increasing number of people the scheme is not feasible.

One of the election planks of the present Alberta government was payment of a basic dividend—tentatively set at $25 a month—to every citizen. In "Bible Bill's" own manual it is stated that a monthly dividend, "say $25," will be paid.

Whether or not Mr. Aberhart has been clever enough to avoid making an actual promise of a $25 dividend, his policy has been frequently interpreted as implying he would. This interpretation was certainly encouraged both by Mr. Aberhart and his followers prior to the election. Most important, the people of Alberta believed it when they returned the party at the polls.

If Mr. Aberhart and his cohorts cannot pay $25 a month, and they have had ample time to determine whether this amount is feasible, then let them officially state what dividend—if any—they think they can pay.

• • •

A Little Doubtful

DESPITE the size and recognized strength of Canada's chartered banks, a surprising number of persons still insist on actually handling the money in their account—to make certain it is still there. Apparently the propaganda of the "money-by-a-stroke-of-the-pen" people has created doubt in the minds of some depositors as to what really happens their money.

One instance reported recently concerned a fairly prosperous manufacturer, a foreigner. This gentleman religiously went to the branch where he carried his account every third Monday, laboriously counted out his balance of something over $400, and re-deposited the full amount. It was explained to him his money was not kept separately, that different bills were handed him each time he withdrew his balance. He was quite content, however, if the money was intact, merely wishing to make certain that the amount of his balance was secure.

The branch concerned is quite willing to cater to the wish of its customer, but it does mean considerable inconvenience to the teller, who, of course, has to count the money each time it is withdrawn and re-deposited.

• • •

Debt Legislation

THE manner in which debt adjustment legislation is affecting mortgage lending institutions was aptly illustrated recently in a letter by an eastern mortgage company to an Alberta applicant for a loan. In declining the application the company stated it no longer was making new loans in that province in view of the attitude taken by the government.

One case was instanced involving a property on which a mortgage of $1,400 was held. The last payment by the borrower, who occupies the house, was made to the loan company in July, 1932, and all taxes have been left unpaid. Yet only in recent weeks has the Debt Adjustment Board allowed the company to obtain title. As a result, there is four years' interest due on the mortgage, three years' taxes owing, and the company is also out $200 in solicitor's charges for continually bringing the case before the Board and for finally obtaining foreclosure when it was at last permitted.

"We do not mind carrying deserving borrowers for a reasonable length of time, and are doing so all the time," the company explained, "but what we object to is being compelled to carry people who are simply taking advantage of the legislation."

• • •

Farm Loans

THAT government farm loan agencies have loaned twice as much in Ontario in the past 15 years as all member companies of the Land Mortgage Companies' Association of Ontario had outstanding in 1921 on farm properties, was the opinion expressed by R. P. Baker, past president of the association at the recent annual meeting. This was despite the fact that most of the companies had been in the farm mortgage business for more than 40 years when the first of the government agencies was established.

The inevitable effect, of course, has been to practically put lending institutions out of the Ontario farm field. Not only were they unable to compete for new loans, but as companies' mortgages matured, they were renewed through the government mortgages.

In questioning the soundness of loaning so large an amount in such a short period of time, Mr. Baker points out that experience tends to the conclusion that the credits could not have been extended without resulting in much greater losses than in the case of company lending. Further, he raises the question as to whether government loans to farmers may not have hurt, rather than helped, Ontario agriculture as a whole. Too much credit unwisely or improperly extended, he contends, no matter how low the interest rate, does harm rather than good.

Many Robbers Are Deterred By Bank Ass'n

$137,828 Paid Out in Rewards Since 1924

FEWER THEFTS IN 1935

In view of the widespread comments in the press and elsewhere in respect to the adequacy, or lack of it, of bank protective measures, the following information has been released to The Financial Post by a spokesman for the banks.

Everyone who uses a branch bank must have noticed the standing offer of a reward for information leading to the conviction of bank robbers. If, like most Canadians, he is honest, he has passed it by with little more than a vague hope that some day he might be lucky enough to be a hero and get a cash payment in return; but what is the effect on the potential bank robber? Naturally, no direct statistical evidence is available, bank robbers being inclined to reticence about their business affairs. But there is indirect evidence which tends to show that the familiar printed card has a valuable deterrent influence on this particular form of criminal activity.

Terms of Offer

The terms of the offer made by the Canadian Bankers Association state: "An offer of reward is made for the arrest and conviction, or for information leading to the arrest and conviction, of any person who by hold-up of, or, by violence or threat of violence to, bank officers or employees, or by breaking and entering, have robbed or attempted to rob since January 1, 1931, or who may hereafter rob or attempt to rob, a branch or office of any chartered bank in Canada.

"The association reserves the right to approve or reject any claim and to determine the amount to be paid in respect of any and all claims.

"All claims for rewards must be made in writing to secretary of The Canadian Bankers Association, Toronto, within one month after the date of conviction."

Since January, 1924, the Canadian Bankers Association has paid the sum of $137,828 in rewards in this connection.

In 1934, the latest year for which complete figures are available, there were 39 bank robberies in Canada, in which 61 robbers were engaged. Of these 52 were arrested, or roughly 85 per cent. Prison terms ranging from a minimum of one year to a maximum of thirty were imposed. The amount of money involved in these robberies was approximately $120,000 and a large part of this was recovered, in some cases the entire amount taken being found on the robbers when they were captured.

Fewer Robberies in 1935

Not shown by these figures, but confirmed by the records, is the fact that during 1933-34 several dangerous groups of bandits, with previous police records, were apprehended in bank robberies and "withdrawn from circulation" for a number of years. These gentry had not confined their operations to the banks, so their present seclusion is a benefit to the community as a whole. As a result, there was a marked decline in bank robberies during 1935, as will be evident when complete statistics for the year are available.

Criminologists generally agree that it is not punishment but the certainty of punishment that acts as a deterrent of crime. This certainty or high degree of certainty is usually given credit for Canada's good record in the matter of crime prevention as compared with the United States. The underworld knows that Canada is definitely an unsafe place to work and is therefore inclined to favor countries where "working conditions" are better.

It is only the professional criminal who gives bankers much concern. The more of them who are apprehended or made to feel that Canadian banks do not offer a profitable field for their activities, the safer Canadian banks and Canadian business as a whole will be.

The standing offer of the Canadian Bankers Association has greatly facilitated the work of the police, not only in the suppression of this type of crime by stimulating citizens to render assistance in the pursuit of the bandits, but also in making available to the police clues which might not otherwise have come to light.

Prospects are made from time to time, in fact whenever a bank robbery is attempted, that better protection be provided for banks. The fact is that a very good degree of protection is provided already; it would hardly be in the public interest to go into details.

It would be vain to hope that bank robberies could be completely abolished any more than can any other type of crime. What can be done is what is being done, namely, to make them an unprofitable form of enterprise. Our police and judicial systems deserve credit for this, but a fair share of the credit should go to the printed card of the Canadian Bankers Association.

Loans of $755,900 Under Housing Act

16 Companies Co-operating With Government — 113 Advances

Up to Feb. 26, $755,900 had been loaned under the Dominion Housing Act of 1935. Advances since adoption of the legislation number 113. The following companies have entered into contract with the minister of finance under the terms of the Act: Sun Life Assurance Co., London Life Insurance Co., North American Life Assurance Co., Mutual Life Assurance Co., Confederation Life Association, Grey & Bruce Trust & Savings Co., Community Trusts Corp., Sterling Trusts Corp., Capital Trust Corp., Premier Trust Co., Guardian Trust Co., Osler & Nanton Trust Co., Ontario Loan & Debenture Co., Central Trust Co., Waterloo Trust & Savings Co.

Security Loan Appointment

Arthur Robinson, manager of the St. Catharines Chamber of Commerce, has been appointed secretary-treasurer and manager of the Security Loan & Savings Co. He succeeds F. Blaikie who is retiring after occupying those positions for 14 years.

Bank of Canada Weekly Statement

The major change in the Bank of Canada balance sheet for the week ended March 18, was a drop of $3.1 millions in Dominion government deposits and an increase of $5.2 millions in deposits of the chartered banks. The net result is reflected among the bank's liabilities in gains in reserve in the United States and in "all other assets."

Balance Sheet

	Mar. 18 $	Mar. 11 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	85,520,457	85,479,333
Rest fund	173,092	173,092
Dep.: Dominion ...	21,521,811	24,628,335
Banks	188,817,898	183,635,603
Other	1,567,171	1,630,929
Total deposits	211,906,879	209,894,867
All other liabs.	904,905	1,006,610
Total liabs.	303,505,333	301,553,902
Assets		
Reserve: Gold	180,001,682	180,309,470
Silver bullion ...	1,589,626	1,528,640
Res. in sterling ..	307,725	806,264
Res. in U. S.	9,381,688	8,601,573
Res. elsewhere ...	8,367	8,858
Total reserve	191,289,087	191,254,805
Subsidiary coin ...	290,626	273,221
Investments:		
Dom. govt. short.	26,360,611	26,124,968
Other Dom. govt.	82,396,650	82,385,161
Total invest.	108,757,261	108,510,129
Premises	119,454	119,171
All other assets	3,048,905	1,396,576
Total assets	303,505,333	301,553,902
Reserve ratio	64.31%	64.75%

House Travels At Slow Speed

From Our Own Correspondent

OTTAWA. — So far only one major item on the sessional Commons programme has been disposed of. The United States agreement is practically through the Commons, but the order paper is overloaded with other important bills, and committees of enquiry are certain to dig up fresh subjects for statutes.

This being so, prorogation of Parliament is not looked for until late in June.

Ontario Mortgage Ass'n Appoints New Officers

The following officers were elected at the annual meeting of the Land Mortgage Companies' Association of Ontario at the recent annual meeting:

Past president, J. J. Gibson, Chartered Trust & Executor Co.; pres., L. A. Winter, Manufacturers Life Insurance Co.; first vice-pres., C. S. Robertson, Canada Permanent Mortgage Corp.; second vice-pres., C. E. Weeks, Victoria Trust & Savings Co.; sec.-treas., G. R. G. Baker, Toronto; executive committee, J. C. Breckenridge, Toronto; W. G. Watson, Toronto; W. R. Paul, Sarnia; P. V. Wilson, Kitchener; E. T. B. Pennefather, Ottawa; W. J. Helm, Port Hope; Walter Gillespie, Toronto; T. H. Min, London; W. H. Gregory, Stratford; Frank Blaikie, St. Catharines; W. H. Somerville, Waterloo; H. S. Awrey, Toronto; R. E. Woodcock, Toronto; E. E. Reid, London; S. E. Cork, Toronto; and R. P. Baker, London.

Staff Changes

The Imperial Bank has announced the following staff changes:

F. C. TROTT, formerly manager at Sault Ste. Marie, to be manager at Welland.

J. H. ROLPH, formerly manager at Welland, has retired on pension.

J. D. PATTERSON, formerly manager at North Bay, to be manager at Sault Ste. Marie.

M. G. COBURN, formerly manager at Caledonia, to be manager at North Bay.

R. F. BROWN, formerly at head office, Toronto, to be in charge at Caledonia.

J. C. MOSS, formerly accountant at Wetaskiwin, to be manager at New Norway, Alta.

S. T. SKENE, formerly of Toronto, to be assistant manager at Edmonton.

D. G. P. FORBES, formerly manager at Dundas and University, Toronto, to be manager at Kitchener.

J. W. THOMSON, formerly manager at Kitchener, to be manager at Dundas and University, Toronto.

Report No Default Under Housing Act

$7.4 Millions Still Outstanding Under 1919 Legislation

No province, of the seven which participated, is in default of either principal or interest on loans issued under the Dominion Housing Act of 1919. Loans issued under this Act aggregated $23.5 millions, of which $7.4 millions are still outstanding.

Loans issued and the amount repaid at the end of 1935 are as follows:

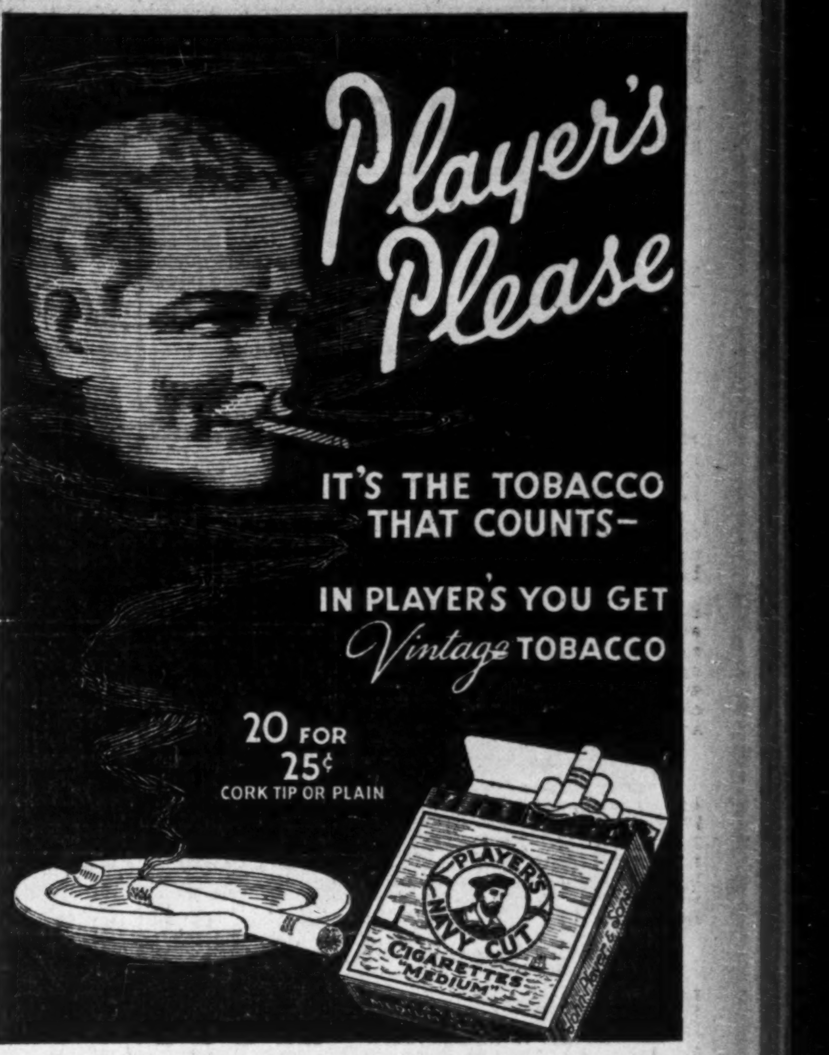
	$ Received	$ Repaid
Pr. Ed. Island	50,000	18,500
Nova Scotia	1,537,000	815,000
New Brunswick	1,525,000	864,300
Ontario	9,350,000	9,350,000
Quebec	7,369,690	4,185,002
Manitoba	1,975,000	880,000
Br. Columbia	1,701,500	nil
	23,508,190	16,112,802

3,558 Bank Branches At End of February

Although two branches were opened by Canadian chartered banks in February and two closed, there was a net decline of one during the month to 3,558. The difference is accounted for by the merging of a Walkerville and a Windsor branch of the Canadian Bank of Commerce. Branches were closed by the Imperial at Queenston and by the Commerce at St. Clair and Lansdowne, Toronto. Those opened were at Beardmore, Ont., by the Imperial and at Creighton Mine, Ont., by the Toronto.

Weekly Bank Clearings

	Mar. 19 1936 $	Change year ago %	Mar. 12 1936 $
Halifax ...	2,068,054	+ 14.3	2,049,659
Saint John .	1,699,038	+ 18.4	1,568,550
Moncton ...	618,899	+ 16.9	559,844
Sherbrooke	484,062	+ 7.0	466,232
Quebec	3,528,156	+ 9.4	3,788,007
Montreal ..	85,710,078	+ 12.3	94,637,826
Ottawa	13,800,766	— 31.0	15,826,445
Kingston ..	418,731	+ 2.5	503,126
Peterborough	569,297	+ 16.9	580,151
Toronto ...	106,485,833	— 6.4	109,852,586
Hamilton ..	3,900,763	+ 19.3	4,052,929
Kitchener .	928,734	— 1.9	870,769
Brantford .	767,169	+ 12.7	766,425
London	2,608,522	+ 20.2	2,448,378
Chatham ..	428,613	+ 19.8	456,123
Sarnia	478,518	+ 17.9	403,532
Sudbury ...	716,490	+ 6.5	800,939
Windsor ...	2,904,563	+ 23.8	2,568,829
Fort William	525,670	+ 6.6	475,019
Winnipeg ..	42,035,491	+ 30.7	42,967,698
Brandon ...	281,855	+ 17.9	243,453
Regina	4,053,026	+ 14.4	2,592,694
Moose Jaw	572,994	+ 65.8	450,732
Saskatoon .	1,195,120	+ 1.2	1,144,397
Prince Albert	301,180	+ 2.4	282,440
Edmonton .	3,478,109	— 8.4	3,425,500
Calgary ...	6,363,511	+ 46.9	5,061,990
Medicine Hat	250,214	+ 12.3	108,667
Lethbridge	398,738	+ 8.4	394,025
N. W'minster	482,208	+ 0.3	502,485
Vancouver .	17,561,549	+ 27.6	15,629,868
Victoria ...	1,601,129	+ 34.8	1,614,485



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IN PLAYER'S YOU GET Vintage TOBACCO
20 FOR 25¢
CORK TIP OR PLAIN
PLAYER'S NAVY CUT CIGARETTES "MEDIUM"
John Player & Sons

AUSTRALIA and NEW ZEALAND.

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)

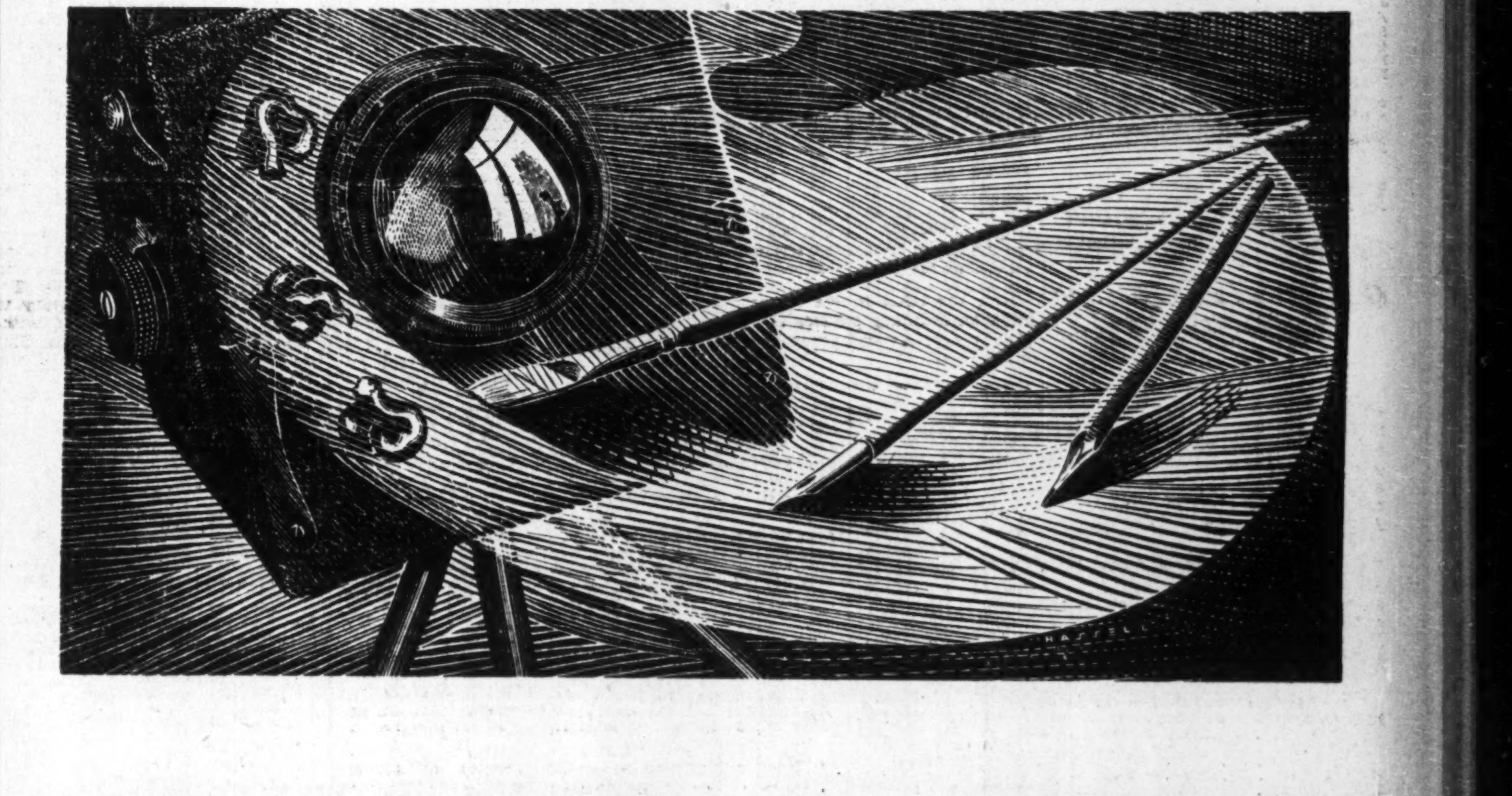
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1935 . . . £115,559,000

A. C. DAVIDSON, General Manager.

747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.

Head Office: GEORGE STREET, SYDNEY.
London Office: 29, THREADNEEDLE STREET, E.C. 2.

Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.



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EXPERT and EXPERIENCED Engraving and Printing of
Bank Notes
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Cheques
Drafts
Postage and Revenue Stamps and other Monetary Documents

32

CANADIAN BANK NOTE COMPANY *Limited*

HEAD OFFICE and WORKS OTTAWA
BRANCH OFFICES TORONTO MONTREAL

Quotations

Montreal, Toronto Listed and Curb Prices

Canadian Bond Markets

This table is confined to official prices for actual transactions in listed stocks. Where no recent sale has taken place on stock exchanges, and for stocks that are not listed, The Financial Post endeavors to get quotations from unlisted dealers, which will be found under the heading of "Unlisted Stocks" on this page.

MONTREAL, TORONTO AND CURB STOCKS
WEEK ENDING MARCH 23

Range 1936 High	Low	Div R'te $	Mar21 Y'ld %		Sales	Last Mar. 16	Week end. Mar. 23 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	2979	2.00	2.00	1.90	2.00
13	6¾	.	...	Do. pref. 6%	1237	9½	10¾	9¾	10¾
12½	6¾	.	...	Do. cert. dep.	29	9	10½	10½	10½
14	11½	.	...	Acme Glove	5	12	14	14	14
54¾	47	3.25	5.9	Do. pref.	205	50	54¾	50	54¾
10	9½	40c	4.3	Agnew Surp.	....	9½	(Mar. 9)		
107	100	7	.65	Do. pref.	48	105	107	104	107
6	4	.	...	Alta. Pac. Gr.	295	5¾	5½	4¾	5
39	25	.	...	Do. pref.	15	33½	31	30	31
3	2	.	...	Amal. Electric	....	3	(Mar. 5)		
23	14	.	...	Do. pref.	....	20	(Mar. 4)		
40½	29¾	15c	...	Amer. Cyn. B.	200	37	36	36	36
54½	51¾	3.50	6.4	Ang. C. Tel. p.	....	54½	(Mar. 9)		
24	17½	.	...	Asbestos v. t.	337	20¾	21½	20½	20½
15	10	15c	...	Assoc. Brew.	390	11	11	10½	11
110	107	7	6.5	Do. pref.	143	110	108	107	108
2¼	¼	.	...	Assoc. Can.	....	¼	(Feb. 11)		
35	34	.	...	Assoc. T. & T. p	....	35	(Feb. 12)		
106	105½	7	6.6	Atlan. Sugar, p	....	105½	(Mar. 16)		
				B					
58	51½	2.25	3.9	Bank of Canada	362	57	58	55½	57½
140	133	8	5.8	Bk. Can. Nat.	66	137	137	135	137
214	185	8	4.1	Bk. Montreal	56	189	195	190	190
300	271	12	4.2	Bk. N. Scotia	56	285	285	284	285
235	225	10	4.3	Bk. Toronto	13	235	230½	230½	230½
13½	13	50c	...	Barcelona	....	13½	(Jan. 13)		
17¾	10½	.	...	Bathurst Pr.	3340	12½	13¾	12¾	13½
5¼	3½	.	...	Do. (B)	....	3½	(Mar. 13)		
4	1¾	.	...	Bawlf Grain	795	3½	3½	3¼	3½
38	27	.	...	Do. pref.	35	31	30	30	30
3	2½	.	...	Beath & Sons	....	2½	(Feb. 29)		
15	11¾	.	...	Beatty Bros. A.	10	12¾	12½	12½	12½
104	96	6	5.8	Do. pref.	15	104	104	104	104
3¾	2½	.	...	Beauharnois	1702	2¾	2¾	2½	2¾
105	105	4	3.8	Belding Cort.	....	105	(Feb. 12)		
130	130	7	5.4	Do. pref.	....	130	(Mar. 17)		
150	140	6	4.1	Bell Telephone	863	144	147	144½	144½
32	30	1.25	...	Biltmore Hats	20	31	32	32	32
110	110	7	6.4	Do. pref.	....	110	(Jan. 13)		
5	3½	.	...	Bissell, T. E.	....	4½	(Mar. 9)		
50	33	.	...	Do. pref.	10	50	50	45	45
5	3½	.	...	Blue Ribbon	220	4½	4	4	4
30	27	2	6.7	Do. pref.	45	30	30	30	30
31½	30	2	6.5	Brant. Cord., pf.	....	30½	(Mar. 16)		
15½	9¾	.	...	Brazilian Tr.	17885	12½	13¾	12¾	13½
1.40	.80	.	...	Brew. & Distil.	2930	1.00	1.10	.95	1.05
4½	2½	.	...	Brewing Corp.	995	3	3¾	3	3½
18	13½	1.50	9.2	Do. pref.	1231	15¾	16½	16	16½
9	9	30c	3.3	Bright, T. G.	....	9	(Mar. 10)		
82	80	6	7.5	Do. pref.	....	82	(Mar. 13)		
24	16½	80c	3.4	Brit. Amer. Oil	41610	21½	24	21½	24
13	9	.	...	B. C. Packers	670	9	10½	10	10
32¾	28½	1.60	5	B. C. Power A.	1645	31	32	30½	32
5¾	4	.	...	Do. (B)	1	4¾	4½	4½	4½
16	13½	1.20+10c	9	Bruck S. Mills	1965	14½	14½	13¾	14¾
37½	33	1+25c	3.5	Building Prod.	432	35	36	35	35¾
47¾	37½	2	4.3	Burt, F. N.	95	44	46	45	46
				C					
86½	86½	6	6.9	Calgary Pr. pfd.	....	86½	(Feb. 19)		
6	4½	.	...	Canada Bread	380	4¾	5	4¾	4¾
95	90	2.25	...	Do. pref. A	....	94	..	..	..
44	39	.	...	Do. pref. B	10	40	40	40	40
8¼	6½	.	...	Canada Bud	525	6¾	7	6½	7
8	6½	.	...	Canada Cement	986	6¾	7	6½	7
75	58	.	...	Do. pref.	334	64	66	62	65
61½	58	1.50+50c	3.4	C. & D. Sug.	20	58	58	58	58
b16½	13½	.	...	Canada Dry	23900	13¾	15¾	13¾	14¾
7	5	.	...	Can. Forg. (A)	....	7	(Mar. 13)		
2	2	.	...	Do. (B)	....	2	(Jan. 23)		
41	40	.	...	Canada Iron	5	40	41	41	41
60	60	3	5	Do. pref.	....	60	(Mar. 11)		
525	520	20	3.8	Canada Life	....	525	(Feb. 11)		
35	31½	1.50+50c	6.1	Can. Malting	926	31¾	33½	31¾	33
25¾	22½	1.20	5	Can. Nor. Pr.	360	24	24½	23¾	24
110	107¾	7	6.4	Do. pref.	143	109	109¾	109¾	109¾
93	82½	3	3.4	Can. Packers	25	88	88	88	88
111	105	.	...	Can. Paper, pf.	....	111	(Feb. 20)		
*.05	.05	.	...	Can. Paving	....	.05	(Aug. 2, '35)		
2	2	.	...	Do. pref.	....	2	(Feb. 5)		
160	137½	8	5.2	Can. Perman.	45	153	155	153	153
3½	1¾	.	...	Can. Steamsh'ps	85	2½	2½	2½	2½
15½	8	.	...	Do. pref.	819	10½	11½	10½	10½
27	20½	1.20	6	Can. Vinegars	715	21	21¾	21	21
27	20½	.	...	Can. W. Cable	25	25	27	25½	27
12½	9	.	...	Do. (B)	350	10	12	9¾	12
99½	98½	.	...	Do. pref.	....	99½	(Mar. 12)		
4	3½	.	...	Can. Bakeries	....	3½	(Mar. 12)		
57	43½	.	...	Do. pref.	70	53	48	48	48
170	149	8	5.1	Can. Bk. Com.	259	158	160	157	157½
40	31	1	2.5	Can. Bronze	165	38	39	38	39
116	110	7	6.4	Do. pref.	51	110	110	110	110
5¼	4	.	...	Can. Canners	359	4½	4¾	4	4
94	88¾	6	6.6	Do. 1st pfd.	91	92	91½	90	91
8¼	6	.	...	Do. 2nd pfd.	507	6½	6¾	6	6½
8	6½	.	...	Can. Car & Fd'y	1000	7	7½	6½	6¾
17¾	13½	.	...	Do. pref.	672	15	15½	14½	15
31½	26½	.	...	Can. Celanese	192	29	27¾	27¾	27½
123	120	7	5.7	Do. pref.	....	121	(Mar. 13)		
21	18	.	...	Do. Rights	610	20	21	20	20
30	23¾	2	...	Can. Convert.	....	30	(Feb. 22)		
50	48	4	8	Can. Cottons	5	50	50	50	50
105	99	6	6	Do. pref.	20	105	105	100½	100½
48	37	1+1	4.2	Can. Dredge	1401	44½	48	45	47½
100	100	6	6	Can. Fairb. pf.	....	100	(Feb. 12)		
34	23½	1.60	5.1	Can. For. Inv.	340	31	31	31	31
107	105	8	7.5	Do. pref.	....	107	(Feb. 7)		
165	150	5	3.1	Can. Gen. Elec.	85	165	161	160	161
8½	8½	40c	...	Can. G. Inv.	....	8½	(Feb. 14)		
48	34¾	.	...	Can. Hyd. El. p	311	39	40	39	39½
12½	9	.	...	Can. Ind. Alc.	10285	9¾	10½	9½	10
11½	8	.	...	Do. (B)	775	8½	9	8½	9
225	225	4	1.8	Can. Indust. B.	....	225	(Mar. 7)		
*166½	148	7	4.2	Do. pref.	....	168½	(Nov. 16, '35)		
4	1	.	...	Can. Int. I. Tr.	....	3¾	(Mar. 16)		
65	35	.	...	Do. pref.	5	60	60	60	60
23	20	1	4.3	Can. Lt. & Pr.	....	21	(Feb. 11)		
4	2½	.	...	Can. Locomo.	93	3	4	3½	3½
2¾	2	.	...	Can. Marconi	4206	2½	2¾	2	2½
18	14¾	50c	3.2	Canadian Oil	65	15	15½	15	15½
126½	123	8	6.3	Do. pref.	100	125¾	126	125½	125½
15¾	10¾	.	...	Can. Pacific	14874	13	13¾	13	13½
*.15	.10	.	...	C. Pr. & Pa. In.	....	.10	(Aug. 23, '35)		
5	4½	.	...	Do. pref.	....	5	(Feb. 4)		
3¾	1½	.	...	Can. Vickers	40	3	3	3	3
25	12	.	...	Do. pref.	10	24	20	20	20
3¾	2¾	.	...	Can. Wineries	60	3½	3½	3½	3½
23	21	25c▲	...	Can. Wire Box	80	21½	22½	21½	21½
24½	18½	.	...	Catelli Mac. A.	....	18½	(Mar. 14)		
4	2¾	.	...	Do. (B)	20	3	2¾	2¾	2¾
165	165	8	4.8	Cent. C. Loan	....	165	(Feb. 7)		
1.60	.85	.	...	Chem. Research	2200	1.04	1.10	1.04	1.04
3	1¾	.	...	City Gas & Elec	10	2½	1¾	1¾	1¾
.60	.40	.	...	Claude Neon	415	.40	.40	.40	.40
14½	12¾	92c	7	Coast Brew.	197	13	13	13	13
5½	4	.	...	Do. Rights	335	4¾	4¾	4½	4½
9¼	7½	.	...	Cockshutt Plow	1130	7¾	8½	7¾	8½
1.35	.75	.	...	Comm. Alcohol	440	.90	1.10	.90	1.10
18¾	15¾	80+10c	...	Cons. Bakeries	835	17	17¾	16½	17½
3¾	2	.	...	Cons. Paper	15438	3½	3¾	3½	3¾
9	6	.	...	Cons. Press	....	6	(Mar. 6)		
35	6	.	...	Cons. Sand, pf.	....	35	(Mar. 10)		
293½	200	2.50+4	...	Cons. Smelters	3236	277	286	278	280
200	189	10	5.1	Consumers' Gas	41	193½	198	193½	198
90	81	7†	8.6	Corr. P. Box pf	....	81	(Mar. 5)		
22¼	17½	80c	4	Cosmos Imp.	194	20	20	19¾	19¾
107	104½	7	6.6	Do. pref.	5	105¾	105¾	105¾	105¾
17	15	80c	5.3	Crown Cork	100	15½	15	15	15
2¾	2	.	...	Crown Dom. Oil	....	2½	(Feb. 19)		
30	30	2	...	Crow's N. Coal	....	30	(Feb. 14)		
				D					
4	2	.	...	David & Fre. A.	....	3½	(Mar. 9)		
1¼	¼	.	...	Do. (B)	....	¾	(Mar. 4)		
7	2	.	...	De Havilland	160	6½	6½	5¾	6
68	40	.	...	Do. (A)	....	65	(Mar. 13)		
4	4	.	...	Disher Steel	....	4	(Mar. 2)		
11½	7½	.	...	Do. pref.	75	10½	10½	10½	10½
34½	25	.	...	Distill-Seagram	5655	25½	28½	25½	27
222½	190	10	4.8	Dom. Bank	32	210	211	207½	207½
40½	32	1.20	3.4	Dom. Bridge	3836	36½	38½	36½	38
17½	14¾	1.50	...	Dom. Coal, p n	492	16	16½	16	16
36	26½	.	...	Dom. Engineer	260	30	33½	32	33
41	32	.	...	Dom. Foundries	....	41	(Feb. 8)		
115	106	5	4.4	Dom. Glass	42	112½	112½	112	112½
145	135	7	4.9	Do. pref.	310	140	141½	141½	141½
35½	33	.	...	Dom. Oilcloth	15	34	33	33	33
100	100	7	7	Dom. Rubber, p.	....	100	(Mar. 13)		
8	4½	.	...	Dom. St. & C.B.	1632	6½	6¾	6½	6½
12	8¾	.	...	Dom. Stores	1145	9¾	9¾	9	9
7½	4¾	.	...	Dom. Tar & Ch.	1120	5¾	7	5¾	6¾
80	57	.	...	Do. pref.	270	75	77	74	76
79	70	5	6.9	Dom. Textile	207	73	73	71½	71½
146½	146	7	7.8	Do. pref.	....	146	(Mar. 7)		
9½	5	.	...	Donnacona P. A.	60	7¾	7½	7	7
7½	2½	.	...	Do. (B)	10	5¾	5½	5½	5½
7	5	.	...	Dryden Paper	160	5½	5¾	5¾	5¾
				E					
2½	1	.	...	East. Koot. Pr.	....	2½	(Mar. 5)		
15	5	.	...	Do. pref.	30	14½	15	15	15
3½	2	.	...	East. Dairies	205	3	3	3	3
16½	12½	.	...	Do. pref.	....	14½	(Mar. 13)		
13	10	.	...	East. Steel	....	11	(Mar. 13)		
98	80	7	7.4	Do. pref.	....	95	(Mar. 5)		
*8	7	.	...	East. Theatres	....	7½	(Sept. 4, '35)		
85	85	7	8.2	Do. pref.	....	85	(Feb. 8)		
2½	1½	.	...	Easy Washing	....	2½	(Feb. 5)		
24	20½	62½c	...	Economic Inv.	....	23	(Mar. 9)		
28½	19¾	1.60+10c	...	Electrolux	475	24	26	25½	25¾
3	1	.	...	Enam. & Heat.	....	2¾	(Mar. 7)		
24	10½	.	...	Eng. Electric	10	19	19	19	19
12½	7	.	...	Do. (B)	10	10¾	11	11	11
*9	6¾	30c	...	European El. A.	....	7	(Oct. 4, '35)		
35	35	.	...	Do. Warrants	100	..	35	35	35
				F					
21½	19	.	...	Fam. Players	80	20	20	20	20
20	19	.	...	Do. Vot. Tr.	....	19	(Feb. 19)		
17½	13½	50c	3.5	Fanny Farmer	2865	14½	14¾	14½	14¾
28½	24½	50c	1.9	Ford Motors A.	6442	25½	26	24½	25
2.50	.85	.	...	For. Pr. Secs.	25	2.00	1.00	1.00	1.00
16	13	.	...	Foundation Co.	30	13½	13¾	13½	13¾
19½	9	.	...	Fraser Cos.	268	16½	18	16½	16½
19	8	.	...	Do. Vot. Tr.	697	16	19	16½	16½
60	55	6	10	Freiman, pf.	....	60	(Feb. 24)		
8	2½	.	...	Frost Steel	....	4½	(Feb. 13)		
100	97	1.75	...	Do. pref.	....	100	(Feb. 17)		
				G					
5¾	4	.	...	Gen. St. Wares	645	4½	4¾	4	4½
65	55	.	...	Do. pref.	15	60	61	61	61
73	64¾	2.50	3.4	Goodyear Tire	597	70	72½	70	72½
59	53½	2.50	4.5	Do. pref.	55	54	56	54½	55
3	1	.	...	Gt. W. Saddlery	100	2½	2	2	2
30	13	.	...	Do. pref.	....	25½	(Mar. 13)		
8½	6½	.	...	Gurd, Chas.	190	7½	8	7½	7½
100	100	7	7	Do. pref.	....	100	(Mar. 5)		
8¼	6¾	.	...	Gypsum, Lime	1536	7	7½	6¾	7½
				H					
6¾	4½	.	...	Ham. Bridge	338	4¾	5	4½	4½
37	25½	.	...	Do. pref.	25	33½	33	33	33
29½	25½	.	...	Ham. Cot., pf.	10	29	29	29	29
1.00	.80	.	...	Ham. U. Theat.	15	1.00	.85	.85	.85
52	50	4	8	Do. pref.	10	50	50	50	50
4	2¾	.	...	Harding Carpet	275	3¼	3½	3¾	3½
9	1½	.	...	Hillcrest Coll.	....	9	(Feb. 12)		
16	16	.	...	Do. pref.	....	16	(Jan. 14)		
15½	12	50c	...	Hinde & Dauch	170	12¾	12½	12	12½
7	7	.	...	Holt Renfrew	....	7	(Jan. 24)		
40	30	.	...	Do. pref.	....	40	(Jan. 31)		
.70	.40	.	...	Honey Dew	....	.60	(Mar. 12)		
7½	7	.	...	Do. pref.	10	7	7	7	7
14¾	11	.	...	H. Smith Pap.	950	12	13	12½	12¾
118	108	‡2	...	Do. pref.	95	115	117½	117	117
35	32	2	6.2	Humberstone S.	30	32	32	32	32
6	5½	.	...	Hunts (A)	25	5½	5½	5½	5½
6	6	.	...	Do. (B)	....	6	(Mar. 3)		
88	82	5	6.1	Huron & E. Mt.	63	84	83½	82	83
12¾	12½	.	...	Do. 20% pd.	....	12½	(Mar. 10)		
10½	8	.	...	Hydro Electric	5	8½	8	8	8
				I					
221	200	10	4.8	Imperial Bank	18	205	210	207	210
24½	20½	50+75c	5.3	Imperial Oil	20102	21¾	23¾	22¾	23¾
14½	13½	52½c	3.6	Imperial Tob.	3628	13½	14	13½	13¾
7¾	7½	6%	...	Do. pref.	....	7¾	(Mar. 12)		
24½	19	1	...	Inter. City Bak.	....	23	(Mar. 13)		
45	40	5+2	...	Inter'c Coal	50	40	42	42	42
*110	108	8	7.3	Do. pref.	....	110	(Dec. 5, '35)		
b5¼	3½	.	...	Int. Hyd. E. A.	18100	3¾	4½	3¾	4
7½	4	.	...	Int. Metal Ind.	35	5	5½	5½	5½
42	30	.	...	Do. pref.	5	37	37½	37½	37½
105¾	103½	5	4.8	Inter. Mill., pf.	50	104	104½	104½	104½
54	44½	1	2	Inter. Nickel	29238	46½	50½	49	49¾
6	4	.	...	Inter. Paints	....	4	(Feb. 29)		
29½	19	1.12½▲	...	Do. pref.	20	24½	24	24	24
b7¾	3	.	...	Int. Pa. & P. A.	5500	6	6½	6	6½
b4	2½	.	...	Do. (B)	4900	3¾	4	3½	3¾
b3¼	1¾	.	...	Do. (C)	13400	2½	3	2½	2¾
b36¾	23½	.	...	Do. pref.	20800	31½	34½	31¾	32¾
39½	33¾	1.50+1	6.7	Inter. Pete.	10785	36¾	37¾	36¾	37½
6	3½	.	...	Inter. Power	65	4	4½	4	4½
88½	57	1	...	Do. pref.	75	84½	86	83	83
14½	3¾	.	...	Int. Util. (A)	375	12¾	13½	12¾	13½
2.25	.40	.	...	Do. (B)	2700	1.35	1.60	1.40	1.45
				J					
35½	33	1.50	4.2	Jam. Pub. Ser.	115	35	35½	35	35½
125½	123½	7	5.6	Do. pref.	....	125½	(Mar. 12)		
				K					
9	6½	.	...	Kelvinator	25	8	7¾	7¾	7¾
107	106	7	6.6	Do. pref.	....	106½	(Jan. 31)		
				L					
22	16½	.	...	Lake of Woods.	570	19½	19¾	19	19
135	123	1.75▲	...	Do. pref.	....	133	(Mar. 10)		
58	55	5	8.6	Landed Bank	8	55½	58	58	58
*4	3½	.	...	Langley's	....	3½	(June 13, '35)		
50	46½	7	15.1	Do. pref.	....	46½	(Feb. 6)		
69	64¾	3	4.4	Laura Secord	47	67	69	67	67
4	3	.	...	Lindsay, C. W.	15	4	4	3¾	4
41	40	.	...	Do. pref.	....	41	(Mar. 16)		
20¼	18¾	1	5.1	Loblaw (A)	892	19½	19¾	19¾	19¾
18½	17¼	1	5.6	Do. (B)	335	17¾	18	17¾	18
*7½	6¾	10c	...	Louisiana L.	....	6¾	(Sept. 11, '35)		
				M					
*3½	3½	.	...	MacKin. Steel	....	3½	(May 30, '35)		
4	4	.	...	Manitoba Pr.	....	4	(Mar. 12)		
.50	.50	.	...	M. L. Gardens	....	51	(Feb. 21)		
4	3½	.	...	Do. pref.	150	3½	3½	3½	3½
2.25	1.50	.	...	Maple Leaf	50	1.60	1.55	1.55	1.55
5¾	4	.	...	Do. pref.	....	4	(Mar. 16)		
*12¾	12	60c	4.4	Maritime Tel.	....	13¾	(Oct. 26, '35)		
*15	14½	70c	4.7	Do. pref.	....	14¾	(Oct. 26, '35)		
18	18	.	...	Marcus Loew's.	....	18	(Feb. 18)		
111	111	7	6.3	Do. pref.	....	111	(Feb. 17)		
7½	5¾	.	...	Massey-Harris	6075	6¾	7½	6½	7
40	34½	.	...	Do. pref.	1027	36½	38	36	37¾
17¾	12½	80c	4.8	McColl Fron.	3496	15¾	16½	16	16½
105	96½	6	5.8	Do. pref.	121	103	103½	102½	103
13¾	10	50c▲	...	Melchers (A)	145	10	10	10	10
5½	4	.	...	Do. (B)	100	4	5	4	4
13	9	.	...	Mercury M's, p	10	12½	12½	12½	12½
36	30	1	2.8	Mitchell, J. S.	....	35½	(Mar. 5)		
110	110	7	6.4	Do. pref.	....	110	(Feb. 3)		
8	5½	.	...	Mitchell, Robt.	510	6½	8	6¾	8
5	3	.	...	Monarch Knit	5	5	5	5	5
90	87	7	8	Do. pref.	....	87	(Feb. 26)		
35	26	.	...	Montreal Cot.	....	35	(Mar. 14)		
100	85	7	7.4	Do. pref.	22	100	100	95	100
2½	2	.	...	Mont. Is. Pr.	12	2½	2½	2½	2½
34	31½	1.50	4.6	Mont. L. & Pr.	5803	32½	33½	32½	32¾
*32	30	2	6.7	Montreal Loan	....	30	(Dec. 31, '35)		
9	9	.	...	Mtl. Ref. & S.P.	....	9	(Jan. 20)		
*2	1½	.	...	Do. Vot. Tr.	....	2	(Dec. 31, '35)		
60	56	3.20	6	Montreal Tele.	13	56	56	56	56
103	99½	9	9	Montreal Trams	185	100	100	100	100
39	27½	1	2.8	Moore Corp.	296	35	36	35	35
165	146	7	4.6	Do. pref. (A)	31	158	155	150	150
230	175	7	3.2	Do. pref. (B)	....	222	(Mar. 4)		
1.00	.30	.	...	Muirheads	....	.5	(Feb. 18)		
3½	3	.	...	Do. pref.	....	3	(Feb. 19)		
				N					
44	37	2	4.7	Nat. Breweries.	2089	42	43½	41¾	42¾
43	39¾	1.75	4.2	Do. pref.	420	39¾	42	41	42
7¾	6	.	...	Nat. Grocers	145	6½	6½	6	6
135	130	7	5.2	Do. pref.	15	130	135	134	135
20	16½	.	...	N. Sew. Pipe A.	140	18¾	18¾	18¾	18¾
17½	15½	.	...	Nat. Steel Car.	380	15¾	16½	15½	16¾
201	197	8	4	National Tr.	19	200	198	197	197
55	34	75c	...	Niag. W. Weav.	25	53	55	55	55
60	56	3	5.2	Do. pref.	45	58	59	58	58
1.75	.90	.	...	North Star Oil.	340	1.50	1.30	1.20	1.30
4.00	3.15	8¾c	...	Do. pref.	25	3.50	3.60	3.60	3.60
61	61	3	4.9	N. S. L. & Pr.	....	61	(Feb. 11)		
102½	102½	6	5.8	Do. pref.	20	..	102½	102½	102½
				O					
240	199½	8	3.4	Ogilvie Flour	30	240	240	237	237
155	152	7	4.5	Do. pref.	1	152	155	155	155
10	7½	.	...	Ont. Eq. 10% pd	15	8	8	7½	7½
112½	109	6	5.3	Ontario Loan	....	112½	(Mar. 3)		
14½	12	.	...	Ont. Silknit	23	14	12	12	12
90	80	7+75c▲	8.3	Do. pref.	20	83	84	84	84
8	8	.	...	Ont. Steel	....	8	(Mar. 6)		
85	75	.	...	Do. pref.	....	85	(Mar. 9)		
.40	.25	.	...	Orange Crush	....	.25	(Feb. 24)		
8	6	.	...	Do. 1st pref.	20	8	7½	7½	7½
*.55	.20	.	...	Do. 2nd pref.	....	.45	(Oct. 30, '35)		
95	88	6	6.4	Ott. L. H. & Pr.	15	95	95	93	95
110	101½	6.50	6.3	Do. pref.	14	103	103	103	103
21	18	2	10.7	Ott. Traction	15	18¾	18	18	18
				P					
95	78½	3	3.3	Page Hersey	260	89	91	88½	91
6½	3½	.	...	Pantepec Oil	1390	5	5¾	5½	5½
25	18	.	...	Paton Mfg.	....	23	(Jan. 25)		
*98	94	7	7.2	Do. pref.	....	98	(Dec. 3, '35)		
57	48	3	5.9	Penmans	135	48	50½	49	50½
122	118	6	4.9	Do. pref.	....	122	(Feb. 20)		
27	23½	1	4.2	Photo Eng.	175	23½	23½	23½	23½
97	85	7	7.3	Porto Rico Pr. p	1933	96½	(Mar. 11)		
18¾	11¾	.	...	Power Corp.	1933	15¾	16½	15½	16
101	97½	6	6.1	Do. pref.	75	97¾	99½	98	99½
2½	1½	.	...	Prairie C. Oil	50	2	2	2	2
24	19	50+12½c	...	Pressed Metals.	35	20	22½	22	23
6½	3½	.	...	Price Bros.	3105	5	5½	4½	4½
40	22½	.	...	Do. pref.	985	38½	39	35	35
				Q					
18	14	1	5.9	Quebec Power	793	17½	18	17½	17½
				R					
*58	40	2	...	Real Estate L'n	....	40	(July 3, '35)		
6½	5	.	...	Regent Knit.	262	5	5½	5	5½
15	12½	.	...	Do. pref.	295	14	14¾	14	14¾
10	6½	.	...	Reliance Grain	105	7½	7	7	7
30¾	29	2+25c▲	6.8	River S. Mills.	85	29½	29½	29½	29½
6½	4¾	.	...	Rogers Majest.	690	4¾	4¾	4¾	4¾
104	95½	6	5.9	Rolland P. pf.	45	104	101½	101	101½
182	164	8	4.5	Royal Bank	190	178	179	176	177
30½	30	.	...	Russell Motor	....	30½	(Feb. 13)		
109	100	7+1▲	6.5	Do. pref.	91	108	108	107	108
				S					
9¾	7	.	...	Sarnia Br. (A)	....	9½	(Mar. 16)		
3	1¾	.	...	Do. (B)	....	2½	(Mar. 11)		
23¾	19½	60c	2.7	Shawinigan	5123	21	22½	21¾	22
20	17½	.	...	Sher. Wms.	256	18½	18¾	17¾	18½
127½	117	7+1.75▲	5.5	Do. pref.	5	127	123	123	123
12	10	.	...	Simon & Son	....	11½	(Mar. 11)		
93	93	7▲	...	Do. pref.	....	93	(Jan. 6)		
80	76	4	5.3	Simpson, Ltd.	30	76	76	76	76
12	12	.	...	Do. (A)	....	12	(Feb. 3)		
9	8	.	...	Do. (B)	....	9	(Feb. 13)		
116	111½	6	5.2	Simpson, R., p.	10	116	115½	115½	115½
13¾	12	80c	5.9	So. Can. Pr.	1342	13½	13½	13½	13½
100	93	6	6.1	Do. pref.	47	99½	100	99	99
2¾	1½	.	...	St. Law. Corp.	1990	2½	2¾	2	2¾
10½	8	.	...	Do. (A)	521	9½	9¾	9½	9¾
44	40	2	4.8	St. Law. Flour	10	42	42	42	42
123	120	7	5.7	Do. pref.	....	123	(Mar. 4)		
28	20½	.	...	St. Law. Pa. p	1194	26	27¾	26½	27½
9½	6½	.	...	Stand. Chem.	....	8½	(Mar. 14)		
3.75	1.15	.	...	St. Pav. & Mat.	65	2.87	2.75	2.25	2.75
22	12	.	...	Do. pref.	....	18	(Mar. 11)		
27	20	.	...	Stand. Steel, pf.	....	27	(Feb. 12)		
64½	57	1.75+1.42½	...	Steel of Can.	958	61	64	62	64
57½	49½	1.75	3.1	Do. pref.	615	56	57½	56	57½
3½	3	.	...	Sterling Coal	....	3½	(Feb. 6)		
2½	½	.	...	Stop & Shop	130	2	1	1	1
2½	2	.	...	Supersilk H.	....	2	(Feb. 4)		
72	69	3.50	4.9	Do. pref.	....	72	(Mar. 3)		
38	30	1	2.9	Sup. Pete. ord.	45	34½	35	33½	35
32½	32	1	3.1	Do. com.	....	32½	(Jan. 16)		
110	109½	7	6.4	Do. pref.	5	110	110	110	110
				T					
40	32½	.	...	Tamblyn	120	39	38½	38½	38½
112½	111	7	6.2	Do. pref.	....	112½	(Mar. 16)		
5	1½	.	...	Thayers	....	4½	(Feb. 24)		
37	31	3.50	11.3	Do. pref.	....	31	(Mar. 4)		
3	1½	.	...	Thrift Stores	....	3	(Mar. 10)		
10	7½	.	...	Do. pref.	....	9	(Mar. 7)		
11	8½	.	...	Tip Top Tailors.	70	8½	9¾	8½	9¾
106	102	7	6.6	Do. pref.	35	105	106	105	105
15½	10½	.	...	Tooke Bros., pf.	....	15½	(Feb. 11)		
40	34	1	2.8	Tor. Elevators	....	35½	(Mar. 13)		
119	112	7	6.1	Do. pref.	15	116	115	112	115
95	90	4	4.3	Tor. Gen. Tr.	....	92	(Mar. 4)		
120	115	6	5.2	Toronto Mtge.	....	115	(Mar. 13)		
155	150	7	4.5	Tuckett Tob., p.	....	155	(Mar. 12)		
12½	8	.	...	Twin City	101	10	10½	10½	10½
				U					
12½	9	.	...	Union Gas	3215	10¾	11¾	10¾	11
15	15	.	...	Un. Amuse. A.	....	15	(Jan. 2)		
.90	.65	.	...	United Distill.	100	.75	.65	.65	.65
29	22	.	...	United Fuel, pf.	308	23½	26½	23	26
25	25	2	8	United Secs.	53	25	25	25	25
4¾	3	.	...	United Steel	195	3½	3½	3½	3½
				V					
3½	2	.	...	Viau Biscuit	15	2½	2¾	2½	2¾
38	18	.	...	Do. pref.	....	38	(Mar. 7)		
				W					
31½	25	.	...	Wabasso Cot.	5	25	25	25	25
34¾	28	2	6.9	Walker-Good.	4953	29½	30½	28¾	29½
19	17¾	1	5.5	Do. pref.	1640	18½	18½	18½	18½
3¾	2	.	...	Walkerville Br.	1590	3	3	2¾	2¾
2½	1½	.	...	Waterloo Mfg.	195	1¾	2	1¾	2
10	6¾	.	...	West. C. Flour.	....	7½	(Mar. 7)		
65	54	.	...	Do. pref.	....	54	(Mar. 13)		
50	46½	2	4.2	West. Grocers	....	48	(Feb. 19)		
109¾	107	7	6.4	Do. pref.	3	109¾	108½	108½	108½
17¾	14	60c	4.1	Weston Ltd.	550	14½	15	14½	14½
111½	109½	7	6.3	Do. pref.	228	111	111½	111½	111½
9¾	8½	.	...	Whittall Can.	....	9¾	(Mar. 6)		
121½	121½	6.50	5.4	Do. pref.	....	121	(Jan. 15)		
*3	1	.	...	Windsor Hotel	....	1	(Oct. 26, '35)		
*8	1	.	...	Do. pref.	....	1	(Oct. 23, '35)		
4½	2¾	.	...	Winnipeg Elec.	200	4	4	3¾	4
18	10	.	...	Do. pref.	30	16	16½	16½	16½
53	.38	.	...	Wood, A. & J. p	....	52	(Mar. 9)		
67½	50	.	...	Woods Mfg., pf.	60	58½	50	50	50
				Z					
3	2¾	.	...	Zimmerknit, c.	....	4	(Mar. 16)		
64	60	3.50▲	...	Do. pref.	....	64	(Mar. 11)		

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* Quotations for 1935. No sales recorded in 1936 to date.

† Plus $33.25 on arrears. Comprising one funding right for each preferred share.

▲ On account of arrears.

b New York quotations.

‡ Plus one-eighth share of preferred stock plus one share of common stock, all payable in settlement of arrears.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

March 25, 1936

		Bid Mar. 25	Asked Mar. 25	Approx. Yield	Bid Mar. 18
Dominion of Canada Bonds					
Dominion .. 2	15 Oct. 1936	100.35	100.70	.79	100.35
Dominion .. 5	15 Nov. 1936	102.25	102.60	.95	102.15
†‡Dominion .. 5	1 Mar. 1937	104.00	104.45	.25	104.00
‡Dominion .. 5½	1 Dec. 1937	107.95	108.30	.53	107.80
Dominion .. 2½	15 Oct. 1939	102.60	103.10	1.60	102.50
Dominion .. 4	15 Oct. 1939	107.25	107.75	1.77	107.25
Dominion .. 2	15 Nov. 1939	101.15	101.65	1.53	101.15
Dominion .. 4½	1 Sept. 1940	110.35	110.85	1.92	110.35
Dominion .. 5	15 Nov. 1941	113.25	113.75	2.37	112.85
Dominion .. 3	15 Oct. 1942	104.75	105.25	2.14	104.75
Dominion .. 2½	1 June 1943	102.25	102.75	2.09	102.15
Dominion .. 5	15 Oct. 1943	114.15	114.65	2.82	113.75
Dominion .. 4½	15 Oct. 1944	112.50	113.00	2.76	111.75
■Dominion .. 2½	15 Aug. '43-45	98.50	99.00	2.62	98.00
Dominion .. 4	15 Oct. '43-45	108.65	109.15	2.66▲	108.15
Dominion .. 4½	1 Feb. 1946	112.35	112.85	2.97	111.75
Dominion .. 3½	15 Oct. '44-49	103.75	104.25	2.92▲	103.35
Dominion .. 4	15 Oct. '47-52	107.35	107.65	3.21▲	107.15
Dominion .. 3	1 June '50-55	98.15	98.65	3.09	97.85
Dominion .. 4½	1 Nov. '46-56	109.75	110.35	3.37▲	109.35
Dominion .. 4½	1 Nov. '47-57	109.75	110.35	3.44▲	109.35
Dominion .. 4½	1 Nov. '48-58	110.15	110.65	3.48▲	109.65
Dominion .. 4½	1 Nov. '49-59	110.25	110.75	3.52▲	109.75
■Dominion .. 3¼	15 Jan. '56-61	100.50	101.00	3.18▲	100.00
Dominion Guaranteed Bonds					
*G. T. P. Ry. 3	1 Jan. 1962	99.75	100.75	2.91	99.25
Can. N. Ry. 3	1 May 1944	103.00	104.00	2.45	102.50
Can. N. Ry. 3	15 Dec. '45-50	98.00	99.00	3.08	97.50
Can. N. Ry. 3	15 Feb. '48-53	97.00	98.00	3.15	96.75
*Can. N. Ry. 4½	1 Sept. 1951	113.25	114.25	3.32	112.50
*Can. N. Ry. 4½	1 Feb. 1956	113.50	114.50	3.49	112.75
†Can. N. Ry. 4½	1 July 1957	111.25	112.25	3.64	110.75
*Can. N. Ry. 4¾	15 June 1955	115.75	116.75	3.55	115.00
Can. N. Ry. 5	1 Feb. 1954	116.00	117.00	3.70	115.00
*Can. N. Ry. 5	1 July 1969	116.25	117.25	3.15▲	115.75
*Can. N. Ry. 5	1 Oct. 1969	118.00	119.00	3.55▲	117.50
*M. Harb. C. 5	1 Nov. 1969	118.25	119.25	3.52	117.75
Provincial Government Bonds					
Eastern—					
N. Bruns. .. 4	1 Sept. 1954	103.75	104.75	3.64	103.50
†N. Bruns. .. 4½	15 Apr. 1961	109.00	110.00	3.88	108.50
†N. Bruns. .. 5	15 Jan. 1960	114.25	115.25	4.01	113.50
N. Scotia .. 3	2 Sept. 1945	99.00	100.00	3.00	98.50
N. Scotia .. 4½	15 May 1943	108.00	109.00	3.08	107.50
†N. Scotia .. 4½	15 Sept. '47-52	109.50	110.50	3.39▲	108.50
†N. Scotia .. 5	1 Mar. 1960	115.75	116.75	3.92	115.25
*Ontario 4	1 June 1962	106.00	107.00	3.59	105.00
*Ontario 4½	1 Sept. 1944	110.25	111.25	2.99	109.50
Ontario 4½	1 June 1950	109.00	110.00	3.61	108.25
*Ontario 4½	15 Jan. 1962	110.00	111.00	3.83	109.00
Ontario 5	15 Oct. 1948	112.50	113.50	3.68	112.00
*Ontario 5	2 Dec. 1960	117.00	118.00	3.86	116.00
Ontario 5½	1 July 1946	114.50	115.50	3.70	113.50
O. H. C. 3½-4-5	1 Oct. '33-52	100.75	101.75	4.26●	100.75
Ont. Hyd. C. 4¾	1 Jan. 1970	110.00	112.00	4.09	110.00
P. E. I. 3	1 Oct. 1945	99.00	100.00	3.00	99.00
Quebec 4	15 Mar. 1952	108.25	109.25	3.25	107.25
Quebec 4¼	1 Aug. 1958	110.50	111.50	3.51	110.00
Quebec 4½	2 Jan. 1963	113.00	114.00	3.67	113.00
Western—					
Alberta ... 4	15 Dec. '49-54	83.50	85.00	5.26	84.00
†Alberta ... 4	1 Dec. 1957	83.50	85.00	5.15	84.00
Alberta ... 4½	1 Oct. 1951	86.00	88.50	6.60	86.00
†Alberta ... 4½	1 Oct. 1956	84.50	86.00	5.65	85.50
†Alberta ... 5	1 Jan. 1948	86.00	88.00	6.45	87.00
Alberta ... 5	1 Sept. 1955	85.50	87.50	6.10	86.00
*Alberta ... 5	1 Oct. 1959	88.00	88.50	5.90	88.00
†Alberta ... 5½	1 Jan. 1947	89.50	91.00	6.66	89.00
Alberta ... 6	1 Mar. 1947	89.50	91.00	7.20	89.00
†Brit. Col. .. 4	1 Dec. 1957	93.00	94.00	4.43	94.50
*Brit. Col. .. 4½	15 Jan. 1951	96.00	98.00	4.68	98.50
†Brit. Col. .. 4½	1 Oct. 1953	95.50	97.00	4.75	97.50
†Brit. Col. .. 5	15 Jan. 1948	98.00	100.00	5.00	98.50
Brit. Col. .. 5	1 Sept. 1953	97.50	99.50	5.09	98.50
Brit. Col. .. 5½	1 Feb. 1945	99.50	100.50	5.43	100.00
Brit. Col. .. 6	15 Feb. 1947	101.00	102.00	5.75	102.00
Manitoba .. 4	2 Jan. 1950	98.00	100.00	4.00	99.00
†Manitoba .. 4	1 Dec. 1957	98.50	100.00	4.00	99.00
†Manitoba .. 4½	15 Dec. 1956	103.00	104.50	4.17	103.00
†Manitoba .. 5	15 June 1954	107.00	109.00	4.29	107.00
*Manitoba .. 5	2 Dec. 1959	108.50	110.50	4.30	109.00
Manitoba .. 5½	1 Oct. 1955	107.50	109.00	4.80	108.00
Manitoba .. 6	1 Apr. 1947	108.50	110.00	4.85	109.00
Sask. 4	15 Aug. 1953	88.50	90.00	4.85	88.50
Sask. 4	1 Nov. '55-60	88.50	89.50	4.72	88.00
*Sask. 4½	2 July 1945	98.00	99.50	4.57	99.00
†Sask. 4½	1 Oct. 1951	96.00	97.00	4.77	96.50
†Sask. 4½	15 Mar. 1960	94.00	95.50	4.82	96.00
Sask. 5	1 Aug. 1958	98.00	100.00	5.00	99.00
†Sask. 5½	15 Nov. 1946	101.00	103.00	5.15	103.00
Sask. 5½	1 Oct. 1952	101.00	103.00	5.23	103.00
Sask. 6	15 Mar. 1952	105.00	106.50	5.38	106.00
Municipal Bonds					
†Calgary ... 5½	2 June 1944	....	87.00	7.67	....
†Edmonton .. 5½	1 Nov. 1945	87.00	91.00	6.79	88.00
†Halifax 5	1 July 1961	112.00	114.00	4.11	112.00
Hamilton .. 5	1 May 1950	107.75	110.75	3.99	107.00
Montreal .. 5	1 Mar. 1945	106.25	108.25	3.93	106.00
Ottawa 4½	1 July 1945	108.50	111.00	3.15	108.50
†Quebec 5	1 June 1959	109.50	111.50	4.22	109.50
Regina 5	1 July 1944	83.00	87.00	7.11	85.00
St. John .. 5	15 Dec. 1950	107.50	109.50	4.14	107.50
†Toronto ... 4½	1 Jan. 1955	109.00	111.50	3.65	109.00
Vancouver . 5	1 June 1969	88.00	92.00	5.53	89.00
Victoria ... 5	21 July 1945	95.00	98.00	5.27	96.00
Winnipeg .. 5	1 Mar. 1944	105.00	107.00	3.97	105.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ■Payable in N.Y.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of an approximate price is better than none at all.

Mining Stock Quotations

WEEK ENDING MARCH 23, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close Mar. 16 (or last)	High for week	Low for week	Close Mar. 23
1	.70	.54	Afton	19,801	.59	.62	.58	.60
No	.16	.07	Aldermac	53,000	.11	.12½	.11	.12
1	.03¾	.01½	Alexandria	19,300	.02½	.02½	.02	.02½
No	.10½	.03¾	Algoma	39,300	.09	.09	.08	.08
No	4.95	4.10	Anglo-Huronian	624	4.45	4.55	4.50	4.50
No	.08	.02	Arno	31,700	.04½	.06	.04½	.05
1	.97	.70	Arntfield	1,500	.73¾	.76	.75	.75
1	.25	.12	Ashley	7,700	.14	.16	.14½	.15
1	.06½	.02¾	Astoria Rouyn	15,200	.04¾	.05	.04	.04½
1	.11¼	.05½	Bagamac	62,800	.07¾	.09	.07	.08¾
1	.07	.03½	Barry Hollinger	24,500	.04	.04	.03½	.03¾
1	.40	.21	Base Metals	5,850	.23	.24	.23	.23½
1	.50	.28	B.E.A.R.	4,900	.30	.33	.30	.30
No	1.84	1.30	Beattie Gold	7,300	1.40	1.50	1.40	1.40
1	.45	.30	Beaufor Gold	9,900	.30	.35½	.32	.35
1	.76	.60	Big Missouri	19,255	.66	.67	.60	.62
1	.24	.14½	Bobjo	46,519	.16	.17	.14½	.15½
No	7.25	5.55	Bralorne	2,382	6.90	7.25	7.00	7.25
1	.40	.20	Brazil Gold	2,000	.25	.24	.20	.22
1	.04¾	.02	Brett Trethewey	16,500	.03	.03¾	.03¼	.03½
50c.	.25	.09	B.R.X. Gold	109,325	.13¾	.25	.13	.24
1	6.50	3.80	Buffalo Ankerite	5,564	4.85	5.10	4.95	5.00
No	.09½	.02	Buffalo Can.	416,200	.07	.09½	.07¾	.09½
5	37.00	31.50	Bulolo Gold	5,415	33.50	35.00	32.00	33.00
No	.18	.06	Bunker Hill	56,760	.10	.13	.09½	.12½
No	1.45	.95½	Can. Malartic	20,570	1.07	1.15	1.10	1.12
1	.20	.20	Capital Rouyn	......	.20	(Mar. 3)		
1	1.60	1.15	Cariboo Gold	6,100	1.35	1.47	1.40	1.45
1	.05	.02	Cartier Malartic	3,600	.03½	.04	.03	.03½
1	1.69	1.24	Castle Trethewey	34,730	1.38	1.48	1.33	1.35
1	.25	.11½	Cen. Manitoba	85,165	.18½	.21	.19	.20
1	3.44	2.41	Cen. Patricia	52,890	2.81	2.96	2.85	2.90
No	.63½	.19½	Chibougamau Pros.	124,875	.43	.50	.43	.48
No	.08¾	.03½	Church M. & Mill	13,400	.06½	.07½	.06	.07
No	.05	.03	Clericy	43,900	.04	.04½	.04	.04
5	4.50	3.00	Coast Copper	105	3.20	3.00	3.00	3.00
1	.03¾	.01½	Cobalt Contact	9,100	.02¾	.02¾	.02½	.02½
5	3.45	2.80	Coniagas	5	3.10	2.90	2.90	2.90
No	2.64	1.80	Coniaurum	10,475	2.19	2.30	2.11	2.20
25	293.50	200.00	Cons. Smelters	3,236	277.00	286.00	278.00	280.00
No	52.00	41.75	Dome Mines	2,450	45.00	45.50	45.00	45.50
1	.07	.04½	Dom. Explorers	3,125	.05	.05¾	.05	.05
1	.10½	.07	Duparquet	18,400	.07½	.08	.07½	.08
1	1.38	1.05	Eldorado	10,840	1.13	1.18	1.10	1.11
No	9.50	6.90	Falconbridge	13,806	8.65	9.25	8.80	9.15
1	.10	.03	Federal	44,500	.05¼	.06	.04¾	.05
No	.44	.22	Francoeur Gold	54,900	.27	.27½	.24	.24
1	.11	.05	Franklin Gold	190,350	.05	.05½	.05	.05½
No	1.45	.80	God's Lake	293,060	1.10	1.00	.80	.87
1	.28	.14½	Goldale	17,800	.21	.21½	.19	.20
50c.	.40	.30	Gold Belt	......	.35	(Mar. 12)		
1	.26½	.06	Goodfish	127,350	.15	.18	.15	.16¾
1	.07½	.03	Graham Bosquet	4,000	.04¾	.04½	.04	.04
1	.31	.19	Granada Gold	18,830	.20	.20	.19	.19
No	.12	.05¾	Grandora	38,600	.07	.12	.06½	.09
1	.36	.21	Greene Stabell	58,329	.26	.27	.21	.24½
1	.05½	.05½	Grozelle	......	.05½	......	......	......
1	.11½	.08	Grull Wihksne	500	.08	.11½	.11½	.11½
1	.94	.75	Gunnar Gold	37,110	.81	.92	.86	.88
1	.05	.02	Halcrow Swayze	2,000	.04	.03¾	.03	.03¾
1	.77	.30	Hard Rock	8,700	.63	.68	.62	.65
1	.10½	.07	Harker	30,000	.07¾	.09¾	.07½	.08
5	17.25	13.50	Hollinger	6,460	14.00	15.00	14.25	14.25
1	.75	.56	Howey Gold	54,475	.61	.61	.58	.59
No	28.25	22.87	Hudson Bay	2,415	25.12	26.75	25.87	26.00
1	14.25	11.50	Inter. Mining	......	14.25	(Feb. 19)		
1	4.10	4.10	Do., Pur. Warr.	......	4.10	(Jan. 13)		
No	54.00	44.12	Int. Nickel	29,238	48.50	50.50	49.00	49.75
1	.58	.28½	J. M. Cons. Gold	58,420	.40	.45½	.40	.44½
1	.55	.40	Kerr Lake	......	.55	(Mar. 5)		
1	.62	.30	Kirk. Hud. Bay	......	.38	(Mar. 13)		
1	.58	.45	Kirkland Lake	20,880	.48	.49½	.47	.47
1	.07½	.03½	Kirk. Premier	......	.07½	(Feb. 28)		
1	.22	.14½	Kirk. Townsite	3,000	.17	.17	.16	.17
No	.09½	.03	Lake Maron	44,500	.05	.05½	.04½	.04½
1	59.12	51.75	Lake Shore	3,925	53.00	54.50	54.00	54.00
1	.19	.05	Lamaque Contact	31,100	.09	.10	.08½	.09½
1	.29¾	.12	Lebel Oro	183,195	.22	.25¾	.20½	.21½
1	.06½	.02¾	Lee Gold	19,800	.03½	.03¾	.03	.03¾
No	7.75	6.05	Little Long Lac	7,925	6.75	6.90	6.65	6.75
1	4.74	3.12	Macassa	3,555	3.88	4.20	3.90	3.95
1	.07	.01½	Malrobic	43,700	.03¾	.04	.03¼	.03¾
No	.33	.12	Mandy	103,125	.17	.33	.18	.28
No	.19½	.05½	Man. & Eastern	290,500	.13½	.18	.14	.18
1	.15	.05½	Maple Leaf	30,300	.09½	.11	.09½	.11
5	49.25	40.00	McIntyre	2,948	41.00	42.25	41.50	42.00
1	1.62	1.22	McKenzie R.L.	43,075	1.35	1.50	1.37	1.48
1	.56	.45	McKinley	......	.50	(Mar. 12)		
1	.14	.02¾	McMillan	31,700	.08½	.09	.07¾	.07¾
No	1.65	1.20	McWatters	18,950	1.39	1.43	1.32	1.36
1	.42	.21	McVittie	21,734	.29	.29½	.28½	.28½
No	1.50	1.23	Mining Corp.	1,639	1.35	1.35	1.30	1.30
No	1.00	.07½	Minto Mines	289,440	.38	1.00	.28½	.89
1	.12½	.06	Moffatt Hall	10,000	.07¾	.08½	.07¾	.08
1	.15	.06¾	Moneta	35,000	.10	.15	.11	.12½
1	.80	.58	Morris Kirk.	50,900	.66¾	.69	.67	.68½
1	.04¾	.00¾	Murphy	77,400	.02¾	.03½	.02½	.02½
No	.04	.02	Newbec	18,600	.02½	.03½	.02½	.03
1	.04¼	.01½	Night-Hawk Penn.	19,500	.02¾	.02¾	.02¾	.02¾
5	3.05	2.45	Nipissing	2,825	2.55	2.63	2.55	2.56
No	50.75	44.50	Noranda	17,889	47.50	50.75	48.00	50.75
No	.42	.28½	Nor. Canada	1,000	.37	.36½	.36½	.36½
1	.70	.34	O'Brien	6,135	.36	.40	.35	.40
1	.79	.40	Omega	30,325	.55½	.65	.58	.58
1	.14	.07	Osisko	2,650	.09½	.10	.09	.10
No	4.85	3.50	Pamour	9,973	3.95	4.10	3.95	3.95
1	.31½	.18½	Parkhill	23,800	.25	.25	.23	.23
1	.05½	.02½	Pawnee Kirk.	19,300	.03½	.04	.03½	.04
1	.84½	.50½	Paymaster	131,020	.65½	.77	.67	.77
1	1.20	.95	Pend Oreille	6,400	1.05	1.04	.95	.95
1	1.75	1.12	Perron Gold	31,250	1.26	1.35	1.20	1.30
1	.04¾	.02½	Peterson Cobalt	22,000	.03½	.03½	.03	.03¼
1	5.30	3.95	Pickle Crow	101,047	4.75	5.30	4.80	5.25
1	12.00	9.60	Pioneer Gold B.C.	5,736	9.75	11.00	9.85	10.75
1	.15	.04	Porcupine Crown	59,800	.12½	.12	.10½	.11
1	2.48	1.80	Premier Gold	8,915	2.20	2.35	2.18	2.33
1	.28	.23	Preston E. Dome	30,520	.24	.28	.25	.25
No	3.25	2.50	Prospectors Air's	475	2.65	2.65	2.55	2.60
1	1.34	.92	Quebec Gold	8,600	.90	.98	.92	.93
No	.07½	.04	Quemont	......	.05	(Mar. 11)		
1	2.15	1.43	Read Authier	88,627	1.88	2.15	1.90	2.10
No	.94	.50	Red Lake	65,150	.93	.94	.90	.93
1	1.20	1.00	Reno Gold	7,500	1.08	1.10	1.07	1.09
1	.05½	.01	Ritchie	33,000	.03½	.03½	.03	.03½
1	.09	.04¾	Robb Montbray	59,229	.06	.06	.04¾	.05
1	.09¾	.05½	Roche Long Lac	6,600	.06¾	.07	.06¾	.06¾
1	3.45	2.55	San Antonio	24,939	2.76	2.99	2.55	2.55
50c.	.72	.56	Sheep Creek	1,300	.69	.70	.69	.69
1	1.33	1.00	Sherritt Gordon	30,628	1.15	1.22	1.09	1.10
1	3.40	2.88	Siscoe	39,710	3.05	3.28	3.05	3.17
1	6.25	4.40	South Amer. Gold	.....	6.25	(Feb. 28)		
No	.08½	.04	South Tiblemont	28,900	.04½	.05	.04	.04½
No	.39	.18½	Stadacona	223,150	.30	.37	.31	.35
1	.38½	.18	St. Anthony	12,990	.24½	.25	.23	.23½
No	4.95	3.00	Sudbury Basin	5,788	4.20	4.40	3.95	4.20
1	.18½	.06	Sudbury Contact	119,950	.14	.18	.14	.17½
1	.07½	.03½	Sudbury Mines	132,100	.06	.06¾	.05½	.06½
1	1.15	.83	Sullivan Cons.	55,223	.88	.98	.90	.95
1	2.90	2.25	Sylvanite	8,810	2.45	2.50	2.42	2.47
1	.50	.28	Tashota	25,900	.45	.50	.44	.45
1	5.40	4.30	Teck Hughes	11,770	4.45	4.80	4.55	4.70
1	.04½	.02	Timiskaming	10,500	.02¾	.03½	.03	.03
1	1.50	1.20	Toburn Gold	2,275	1.40	1.45	1.40	1.42
1	.37	.20	Towagmac	1,200	.23	.27	.26	.26
1	.40	.30	Treadwell	......	.40	(Feb. 14)		
No	2.52	1.60	Ventures	49,440	2.12	2.30	2.15	2.16
No	1.32	1.00	Waite Amulet	8,924	1.17	1.25	1.05	1.07
50c	.21	.15	Wayside	27,450	.18½	.20½	.18	.19½
No	.04½	.03	White Eagle	19,600	.03½	.04	.03½	.03½
1	.09½	.03	Wiltsey Coughlan	8,000	.06	.07	.06½	.07
1	.08	.04	Wood Kirkland	......	.06½	(Mar. 16)		
No	9.00	7.55	Wright-Hargreaves	3,260	7.80	8.10	7.90	7.95
No	.71	.38	Ymir Girl	500	.50	.45½	.45½	.45½
			OIL STOCKS					
No	.18½	.14½	Acme Gas & Oil	7,950	.15½	.15½	.15	.15
1	.70	.50	Ajax	655	.52	.52	.51	.52
No	1.39	.60	Calgary & Ed.	7,510	1.12	1.20	1.10	1.00
1	.14	.05	Calmont	13,761	.10	(Mar. 14)		
No	.10¾	.04½	Common Pete	......	.08½	(Mar. 5)		
No	.78	.40	Dalhousie	13,761	.55	.58	.51	.57
No	.13½	.06	East Crest	3,500	.09	.09½	.08	.08½
No	.70½	.35	Foothills	1,010	.65	.50	.50	.50
No	.16½	.13	High Sarcee	......	.16	(Mar. 9)		
No	1.46	.70	Home	15,913	1.04	1.17	1.05	1.11
1	.42½	.11	Homestead O.&G.	188,340	.32	.39½	.31	.39
No	.14½	.08	Lowery	......	.08	(Mar. 6)		
No	.24	.13	Merland	4,650	.14	.17	.14	.16
5	.22	.14	Nordon	21,900	.15	.16	.14	.14
No	.07	.04½	Oil Selections	22,207	.06	.06½	.06	.06
No	.14½	.12	Olga Gas New	90,150	.04½	.14½	.12	.12½
1	.75	.55	Petrol Oil & Gas	......	.61	(Mar. 5)		
No	39.50	29.00	Royalite	1,318	34.25	36.50	34.25	36.00
No	.10	.04	South West Pete	......	.04	(Mar. 6)		
No	4.60	1.63	Texas Can.	53,835	4.05	4.40	4.00	4.35

VANCOUVER STOCK EXCHANGE
(Transaction for Week to March 20)

Par Val.	Range 1936 High	Low	Company	Sales	Close Mar. 13 (or last)	High for week	Low for week	Close Mar. 20
1	.02½	.01½	Alexandria	......	.02	(Feb. 4)		
20c	.05	.02½	Beaver Silver	8,000	.03	.03	.02½	.03
25c	.01	.01	Bluebird	......	.01	(Mar. 13)		
No	7.25	5.60	Bralorne	5,354	6.70	7.25	6.80	7.25
1	.08½	.02	Bridge River Cons	60,250	.05	.08½	.04½	.08
50c	.17½	.08½	B.R.X. Gold	89,900	.12½	.17½	.12½	.17
1	.46	.17½	B.C. Nickel	252,000	.29	.46	.30	.43
1	1.60	1.50	B.C. Silver	......	1.50	(Feb. 6)		
50c	.08	.04	Canadian Rand	6,000	.06	.06	.05	.06
1	1.52	1.15	Cariboo Gold	4,225	1.35	1.45	1.34	1.42
1	.23½	.12½	Congress Gold	192,400	.20½	.23	.17	.21
25c	.00¾	.00½	Cork Province	......	.00½	(Feb. 20)		
1	.04	.02½	Cotton Belt	......	.03	(Mar. 7)		
No	.36	.19	Dentonia	56,100	.20	.21	.19	.19½
No	.06	.02	Dictator	8,500	.04½	.05	.04½	.04½
1	.04½	.03½	Dunwell	......	.04½	(Mar. 11)		
No	.08	.03	Fairview Amal.	40,500	.05	.07	.04	.07
50c	.47	.35	Fawn Mining	3,755	.45	.44	.43	.43
1	.10½	.03½	Federal Gold	431,400	.09	.09½	.06½	.08½
1	.25	.20	George Copper	......	.20	(Mar. 3)		
50c	.05½	.04	George Enterprise	9,000	.04	.05	.05	.05
1	.01¾	.01½	Georgia River	9,000	.01½	.01¾	.01½	.01¾
1	.24	.11	Golconda	1,900	.18½	.20	.19	.20
50c	.39½	.29	Gold Belt	10,525	.29	.37	.31	.35
50c	.09	.05	Gold Mountain	25,000	.07½	.08½	.07	.08
50c	.03½	.02	Grandview	1,000	.02½	.02½	.02½	.02½
No	.04½	.02	Grange Mines	120,900	.02½	.03¾	.03	.03½
1	.10½	.07	Grull Wihksne	16,900	.08½	.10	.09	.09½
25c	13.50	13.00	Hecla	......	13.00	(Jan. 14)		
No	.04½	.03	Haida Gold	......	.03	(Mar. 12)		
50c	.27	.22	Hedley Amal.	9,800	.24½	.25	.23	.23
No	.05	.05	Hedley Sterling	......	.05	(Feb. 15)		
No	.05	.02	Home Gold	56,700	.03½	.05	.03½	.04¾
1	.00¾	.00½	Independence	......	.00¾	(Feb. 21)		
1	.03	.02	Indian Gold	5,500	.02½	.03	.02½	.03
50c	1.40	.95	Island Mountain	12,800	1.20	1.34	1.20	1.32
1	.20	.18	Inter'l Coal	2,000	.19	.19	.18	.19
50c	.68	.30	Kootenay Belle	20,000	.50	.68	.50	.64
25c	.00¾	.00½	Koot. Florence	500	.00½	.00½	.00½	.00½
10c	.02	.01½	Lucky Jim	......	.01½	(Mar. 11)		
No	.14½	.07½	Mak Siccar	15,100	.08	.08½	.07½	.08
50c	.00¾	.00½	Marmot Metals	......	.00¾	(Feb. 21)		
1	.18	.12	McGillivray Creek	......	.17	(Mar. 10)		
50c	.14½	.07½	Meridian Min.	14,380	.12	.12½	.11	.12½
No	.55½	.07	Minto Mines	988,750	.35½	.55½	.29	.55
50c	.05	.02	Morning Star	336,800	.02½	.05	.02½	.04¾
1	.01	.00½	Morton Woolsey	5,450	.01	.01	.00½	.01
25c	.03½	.02	National Silver	14,500	.03	.03	.02¾	.02¾
50c	.12	.07½	Nicola	16,100	.09	.09½	.08½	.08½
50c	.05½	.03½	Noble Five	16,500	.04½	.04½	.04	.04½
No	.06	.02	Pilot Gold	135,100	.03¾	.06	.04	.06½
1	11.85	9.50	Pioneer Gold	2,440	9.65	11.00	9.75	10.75
50c	.07	.04½	Porter Idaho	3,500	.05	.05	.04½	.04½
No	.00¾	.00½	Premier Border	5,000	.00¾	.00¾	.00½	.00½
1	.02	.01	Quatsino Copper	1,000	.02	.02	.02	.02
25c	.05	.05	Quesnelle Quartz	......	.05	(Mar. 12)		
No	.12	.08	Reeves McDonald	1,700	.12	.10	.10	.10
1	.48	.30	Relief Arlington	24,996	.37	.37	.30	.35
1	1.21	1.00	Reno Gold	11,440	1.04	1.12	1.05	1.12
1	.07	.02	Reward Mining	349,800	.06½	.07	.04	.07
1	.01	.00½	Rufus Argenta	......	.01	(Mar. 12)		
1	.03	.01	Ruth Hope	600	.01½	.01	.01	.01
1	.15	.08	Sally Mines	48,700	.10½	.14	.11½	.12
50c	.13½	.08	Salmon Gold	6,600	.09½	.10	.09½	.09½
50c	.72	.55	Sheep Creek	11,100	.64	.69	.67	.69
25c	.01	.00½	Silvercrest	43,500	.00¾	.00¾	.00¾	.00¾
20c	.02½	.01	Silversmith	1,000	.01½	.01½	.01½	.01½
50c	.00¾	.00½	Snowflake	500	.00½	.00½	.00½	.00½
1	.54	.43	Standard Silver	100	.47	.46	.46	.46
10	24.25	21.00	Sunshine	......	21.00	(Feb. 19)		
No	.15	.07½	Taylor Bridge	20,900	.11	.11½	.10	.11½
1	.11	.07	Taylor Windfall	1,000	.08	.09	.09	.09
50c	.02	.02	United Empire	......	.02	(Jan. 30)		
No	.90	.65	Vidette Gold	4,000	.80	.74	.70*	.70
No	.03	.00½	Viking Gold	31,000	.00¾	.03	.02¾	.02¾
No	.02	.01	Waterloo Gold	1,000	.01½	.02	.02	.02
25c	.01	.00½	Waverley Tangier	3,500	.00½	.00½	.00½	.00½
50c	.20½	.15½	Wayside	256,255	.16½	.20½	.16½	.19½
20c	.01½	.01½	Wellington	......	.01½	(Feb. 29)		
1	.06½	.04½	Whitewater	7,250	.05	.05½	.05	.05½
No	.60	.42	Ymir Yankee Girl	......	.44	(Feb. 27)		
			OIL STOCKS					
1	.18	.09	Alta. Pac. Cons.	8,220	.13	.15	.12	.14
1	.11	.05	Amalgamated	11,900	.10	.10½	.09½	.10
1	.05	.02½	Anaconda	8,128	.04	.04	.03	.04
No	.04½	.02	Baltac	3,000	.03	.04	.03½	.04
1	.11½	.05	Crow's Nest	20,000	.09	.09½	.09	.09½
No	.04	.03	Devenish	1,800	.03½	.04	.03½	.04
No	.12½	.07½	Freehold	7,500	.08	.08½	.08	.08½
No	.07	.04½	Hargal	1,100	.05½	.05½	.05½	.05½
No	.17½	.12	High Sarcee	......	.14½	(Mar. 12)		
No	.02½	.01	Madison	11,000	.01½	.02	.02	.02
No	.20	.11½	Marjon Oil	23,600	.17	.20	.17	.19
No	.08½	.05½	McD. Segur Ex.	300	.06½	.07	.07	.07
1	.40	.20	McLeod	......	.33	(Mar. 13)		
No	.18½	.12	Mercury	4,350	.13½	.12½	.12	.12½
No	.15	.08	Mill City Pete	300	.12	.11	.11	.11
1	.25	.20	Model	2,000	.22	.23	.22	.22
No	.09	.04	Okalta	1,000	.07½	.07½	.07½	.07½
No	.07	.04½	Pacalta Oil	9,500	.05½	.05½	.05	.05½
1	.83	.32	Ranchmen's	3,500	.70	.74	.66	.66
1	.27	.18	Spooner	......	.26	(Mar. 6)		
No	.09	.05½	United	1,600	.07	.06½	.06½	.06½
No	.09	.05	Vanalta	10,600	.07	.07½	.06½	.07
1	.12½	.12	Vulcan	......	.12	(Mar. 6)		

Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)

March 24, 1936

	Int. Rate %	Due	Bid Mar. 24	Asked Mar. 24	Bid Mar. 17
Public Utility Issues:					
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois	5½	'73	81	84	82
Beauharnois	5	'73	25	28	25½
*Bell T'phone	5	'55	114½	117½	114½
*Do.	5	'57	118½	121½	119
†B. C. Power	5	'60	104	107	104
†Do.	5½	'60	105	108	105
†B. C. T'phone	5	'60	106½	109	106
†Calgary Pwr.	5	'60	101	104	102
Do.	5	'64	98	101	98
†Can. Nor. Pr.	5	'53	102½	105	102
Dom. Gas	6½	'45	91½	94½	89½
§Duke-Price Pr.	6	'66	105	107	104½
*Gatineau Pwr.	5	'56	98	101	97
*Do., A	6	'41	89	92	88½
*Do., B	6	'41	87	90	86½
*Int'l. Hydro	6	'44	52½	55½	51½
†Maclaren-Que.	5½	'61	86	90	83
Do.	5½	'64	83½	87	83
*Manitoba Pwr.	5½	'51	82½	85½	80½
†Mtl. Island Pr.	5½	'57	103½	106½	104
†Montreal Pr.	3½	'56	100	103	99½
†Montr'l. Tram.	5	'55	87½	90	86
†Do.	5	'41	104½	107½	104
Nat'l. L. & P.	6	'49	97	100	97
†N.S. L. & Pr.	5	'58	104½	107½	104
†Ottawa Light	5	'57	105½	108½	105
†Ottawa Val. Pr.	5½	'70	80	83	80
†Power Corp.	4½	'50	94½	97½	93½
*Quebec Pwr.	5	'68	105	108	105
†Shawinigan	4½	'70	104	107	104
†Do.	5	'70	107	108½	107
†S. Canada Pr.	5	'55	105	108	104½
†United Secs.	5½	'52	83	86	80
†W. Koot. Pwr.	5	'56	105	107	105
†Western Pwr.	5	'49	105	...	105
*Winnipeg Elec.	6	'54	83½	86½	82
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	47	50	46
†Acadia Sugar	4½	'55	100	103	99
†Alta. P. Grain	6	'46	98½	101½	97½
‡Asbestos Corp.	5	'42	100	...	100
B. A. Oil	4	'45	102½	105	102½
Can. Biscuit	6½	'46	23	26	24
Canada Bread	6	'41	108½	111	108½
†Can. Cement	5½	'47	105	108	105
Can. Paper	6	'45	102½	...	102½
‡Can. Ss. Lines	5	'43	102½	..	56½
Do.	6	'41	57½	60½	104½
C. P. R.	4½	'44	101½	104	101
Do.	4	'49	105½	108	104½
Do.	3½	'31	97½	100½	97
Can. Rail & H.	6½	'51	51	54	50
†Can. Vickers	6	'47	92	95	92
Cons. Paper	5½	'61	34½	37½	33
†Dominion Tar	6	'49	102½	105	102½
†Donnacona P.	5½	'48	79	82	...
†East. Dairies	6	'49	87	90	87
†Fam. Players	6	'48	102½	105	102½
†Do.	6½	'48	101	104	101
†Federal Grain	6	'49	99	102	99
Fraser Cos.*	6	'50	110	113	106
†G. Steel Wares	6	'52	101	104	100½
Gt. Lakes Pap.	6	'50	48	51	46
†Gypsum, Lime.	5½	'48	94	97	94
Ham. Cottons	5½	'48	102	...	102
*Hinde & Dauch	5½	'48	102	...	102
Inter City Bak.	5½	'48	103	...	103
Inter-City W. Bakeries	6½	'50	...	...	34
Kingston Elev.	6	'50	95	98	95
Lake St. John P. & Pa.	6½	'47	90½	93½	91½
London Rlty.	6	'50	93	97	93
†Massey-Harris	5	'47	89	92	89
McColl-Front.	6	'49	104½	107	104½
†Mercury Mills	5½	'53	67	...	66
M. & O. Paper	6	'45	34½	37½	34
Mtl. Dry Docks	6	'48	82	85	...
Ontario Bldg.	6½	'43	34	...	...
Price Bros. bds.	6	'43	114½	117½	110
*Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	91	94	91½
*Reliance Gr.	6	'48	102½	105	102½
‡Riordon Pulp	6	'42	104½	...	104½
†Rolland Paper	5½	'48	104	107	105
Ruddy & Co.	6½	'48	98½	101½	99
†Simpsons Ltd.	6	'49	104½	107	104½
Do.	5½	'49	102½	...	102½
†Smith, How'd.	5½	'53	104½	107	104½
‡Steel of Can.	6	'40	112½	115½	112½
Stop & Shop	6	'47	59	63	...
United Corpns.	5	'53	94½	97½	94½
United Grain	5	'48	98	101	98
Do.	5½	'49	102	105	102
Zimmerknit	6	'51	96	...	96

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. *Unstamped

Unlisted Mines

March 24, 1936

	Bid	Asked
Albany River	.29	.31
Ardeen	.17	.20
Argosy	.76	.80
Athona (Gt. B. L.)	.44	.46
Athabaska Portal	.20	.22
Bailor	.02¾	.03¼
Bidgood Kirkland	.87	.89
Bankfield Gold	.44	.45
Big Master	.31	.33
Bosquet Gold	.11½	.12½
Can. Pandora	.05½	.06½
Can. Kirkland	.03½	.04
Capital Rouyn, new	.18	.21
Casey Contact	.03	.04
Canusa Mining	.32	.35
Central Porcupine	.18	.19
Chromium	1.95	2.00
Condor	.08	.09
Cons. Chib. Free	2.20	2.30
Cons. Chib. Pool	2.20	2.30
Corless Patricia	.30	.33
Cuniptau	.25	.27
Dunlop, new	..	.08
Dorval Siscoe Gold	.16	.18
El Bonanza	.07	.08
East Malartic	.32	.34
Glenora Gold	.13	.20
Galatea	.05½	.06½
Gilbec	.07	.07½
Gold Eagle	.23	.26
Greenlaw	.04	.05
Horseshoe	.03	.04
Hudson Patricia	.16	.18
Jellicoe	.05	.03½
Johnson Nipigon	.05	.06
Kaw Crow	.20	.23
Keora Mines	.06	.07
Kirk. Gold Belt	.10	.12
Lafayette L. Lac	.02½	.03
Long Lac Lagoon	.04	.05
Lamaque Gold	3.00	3.25
Leitch Gold	.43	.46
Madsen Red L.	.34	.36
MacL. Cockshutt	.11	.12
Magnet Lake	.05	.06
Matachewan Can.	.15	.17
McCarthy Webb	.13	.15
Mosher	.04	.05
Moffatt Hill	.08½	.09½
Moffatt Hall (new)	.33	.36
North Shores	.02	.02½
Norlake	.40	.43
Oklend	.19	.21
O'Leary	.10	.11
Opemiska Copper	1.55	1.62
Opemiska Mines	.15	.16
Oriole	.06	.07
Orno	.04¼	.05
Pascalis	.25	.30
Proprietary M.	.45	.50
Phoenix	.35	.40
Rice Lake	.05	.07
Shawkey	.76	.79
Sladen	.31	.34
Slave Lake	.46	.51
Smelter Gold	.06	.07
South Keora	.10	.11
Springer	.08	.09
Straw L. Beach	.10	.13
Sturgeon R. Gold	.45	.50
Thompson Cadillac (new)	.20	.22
Wells Long Lac	.08	.09
Wingold	.08	.10
Wendigo	.15	.17
Young Davidson	.24	.25

Mining Dividends

	Rate	Close Mar. 23	Yield %
Anglo-Huronian	20c	4.50	..
Bralorne	10+5c	7.25	..
Buff. Ankerite	20c	5.00	4
Bulolo Gold	2.60	33.00	8
Cariboo	10c	1.45	6.9
Coniagas†	12½c	2.90	..
Cons. Smelters	$2.50+$4	280.00	..
Dome Mines	$2+$2	45.50	8.8*
Falconbridge	30c	9.15	3.3
Hollinger	65c+25c	14.25	6.3*
Howey Gold	5c	.59	..
Hudson Bay	$1	26.00	..
Int. Coal & Coke‡	1c	.19	..
Inter. Mining	.60+5	14.25	4.6*
Int. Nickel, c.	$1	49.75	2
Kirk. Lake‡	3c	.47	..
Lake Shore	$2+$2	54.00	7.4*
Macassa	15c	3.95	3.8
McGill Cr. Coal	1c	.17	..
McIntyre	$2	42.00	4.8
McKinley Sec.	5c	.50	..
McWatters Gold†	5c	1.36	..
Nipissing	25c	2.56	..
Nor. Can. Mining	2c	.36½	..
Noranda	$2	50.75	3.9
Pickle Crow†	5c	5.25	..
Premier	12c+1c	2.33	5.6*
Pioneer, B C.	80c	10.75	7.4
Reno	12c+2c	1.09	12.8*
San Antonio	21c	2.55	8.2
Siscoe	20c+1c	3.17	6.6*
So. Amer. Gold	30c	6.25	4.8
Sunshine	50c	21.00	..
Sylvanite	20c	2.47	8.1
Teck-Hughes	40c	4.70	8.5
Toburn	8c	1.42	5.6
Wright-Har.	40c+20c	7.95	7.5*
Ymir Yankee†	2c	.45½	..

‡Interim. †Initial. *Yield includes bonus.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

March 24, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, c.	4.20	4.35
Do., pfd.	4.95	5.10
Acme Farmers Dairy, pfd.	37.00	40.00
Algoma Steel, new, com.	48.00	50.00
Do., new, pfd.	62.00	66.00
Andian National	47.00	48.50
B. C. Pulp & Paper, com.	1.00	1.75
Do., pfd.	9.00	11.75
Burns & Co., A	12.00	13.00
Do., B	5.75	6.75
Canada Paper, pfd.	113.00	...
Canada Starch, pfd.	92.50	...
Canada Tea, pfd.	35.50	...
Can. Tube, 1st pfd.	48.00	...
Can. Wire & Cable, pfd.	99.00	101.00
Can. Industries, A, com.	220.00	...
Do., B, com.	...	225.00
Do., pfd.	159.00	161.50
Can. Ingersoll Rand	120.00	124.00
Can. P. & Paper Inv., pfd.	6.00	...
Can. Westinghouse	62.00	64.50
Chase, A. W., pfd. bonus	25.00	26.50
Conduits Nat., new com.	2.25	2.60
Dom. Found. & St., c. (new)	37.00	39.50
Do., pfd. (new)	88.00	92.00
Dunlop Tire, pfd.	65.00	68.00
East. Dairies, pfd.	14.50	16.00
Edm. City Dairy, pfd.	60.00	...
Federal Grain, com.	3.75	4.50
Do., pfd.	59.00	61.00
Goderich Elevator	7.50	8.25
Greening Wire, pfd.	104.00	105.50
Guelph Carpet, pfd.	104.50	105.50
Do., com.	16.00	17.00
Highland Dairy, com.	2.50	3.00
Do., pfd.	81.00	...
Industrial Accept., A	16.50	...
Inter City Bak., com.	22.00	24.00
Inter. Met. Indust., A, pfd.	31.00	35.00
McLaren Power, com.	11.00	12.50
Morrow Screw, pfd.	93.00	...
New Meth. Laund. pfd. bon.	77.50	81.00
Provincial Paper, pfd.	103.00	104.00
Rel. Grain, pfd.	87.00	89.00
Rob. Cons. Cone	8.75	9.25
Ruddy, E. L., pfd.	40.00	...
Silverwood's Dairies, pfd.	44.00	...
Std. Fuel, pfd. bonus	104.75	106.50
Supertest Pet., B, pfd.	27.50	29.00
Toronto Carpet, com.	...	...
Do., pfd.	37.00	...
Western Grain, pfd. bonus	19.00	21.00
Western Grocers, pfd.	107.25	110.00
Trust & Loan Stocks:		
Chartered Trust	79.00	83.00
Guelph, Ont., Inv. Sav.	47.00	50.00
London & West. Trust	50.00	...
Sterling Trust	36.00	...
Traders Fin., B, pfd.	70.00	...
Trusts & Guarantee	40.00	42.00
Insurance Stocks:		
British America	38.00	42.50
Canada Life	520.00	533.00
Canadian Fire	76.00	80.00
Can. Ins. Shares, com.	13.00	...
Confed. Life, 20% pd.	119.00	121.00
Cont. Life, 20% pd.	36.00	40.00
Crown Life	105.00%	...
Dominion Fire	114.00	...
Dom. Life, 50% pd.	260.00	300.00
Dom. of Can. Gen.	108.00	...
Empire Life, 25% pd.	7.75	8.50
Excelsior Life, 30% pd.	68.00	72.00
Federal Fire, 25% pd.	28.00	...
Fidelity of Can.	46.00	51.00
Great West Life	390.00	395.00
Guar. of N. A. fully pd.	245.00	...
Halifax Fire	21.25	22.25
Imperial Life	310.00	...
Manufacturers Life	266.00	273.00
Monarch Life, 10% pd.	19.00	20.50
National Life 25% pd.	...	20.00
Sovereign Life, 25% pd.	18.00	21.00
Sun Life	545.00	560.00
Toronto General	4.90	5.50
Western Assur., com.	40.75	...
Do., pfd.	39.75	42.50
Theatre Stocks:		
Allens Beach, pfd.	58.00	61.00
Do., Calgary, com.	6.00	7.50
Do., Kingston, pfd.	54.00	...
Do., Parkdale, pfd.	45.00	49.00
Do., Toronto pfd. bon. c.	29.00	33.00
East. Theatres, com.	4.50	5.75
Do., pfd.	76.00	81.00
Loew's London, pfd.	2.00	2.50
Mansfield Theatre, pfd.	31.00	...
Para. Kitchener, pfd.	33.00	...
Do., Oshawa, pfd.	66.00	...
United Amusement, A	16.00	17.00
Do., B	15.00	16.00
Investment Trust Shares:		
Can. Gen. Invest.	8.00	8.25
Can. Investors	7.60	8.10
Can. Int. Trust Units	68.00	...
Cons. Div. Std. Sec. Units	12.25	13.50
Debenture & Sec., pfd.	49.00	...
Dom. Scottish Inv. Units	30.00	32.00
For. Power Sec., pfd.	13.00	15.00
Invest. Found. Units	50.25	...
Sec. Holding Units	21.00	23.00
United Corpns., A	23.25	24.00
Do., B	9.60	...
Power Issues:		
Assoc. Tel. & Tel., pfd.	47.25	48.75
Calgary Power, pfd.	85.00	86.50
Can. West. Nat. Gas, pfd.	97.00	99.00
Do., com.	27.00	...
Great Lakes Pwr., pfd.	90.00	92.00
Inter. Util. 7.00 pfd.	81.00	...
Nor. Ont. Power, pfd.	99.50	101.00

Winnipeg Stocks

(Transactions from Mar. 16 to Mar. 21)

	Sales	High for period	Low for period	Close Mar. 21
Bailor Gold	500	.03	.03	.03
Cons. Goldfields	1,000	.10	.10	.10
Cres. Cream., pf.	13	35	35	35
Flin Flon	4,150	.32	.29	.29
Gold Lake	6,900	.45	.42	.42
Knee Lake	1,000	.04½	.04½	.04½
Kaw Crow	500	.20	.20	.20
Island Lake	1,000	.03	.03	.03
Gurney Gold	800	.42	.40	.42
Jowsey Is.	700	.27	.26	.26
North. Mtge.	5	2	2	2
North. Trust	5	7	7	7
Ore Grande	6,500	.07½	.06	.07½
Optic Lake	320	1.70	1.50	1.70
Rice Lake	400	.06½	.06½	.06½
Rice L. Units	2	5½	5½	5½
Scattergood	100	.10	.10	.10
Traders Bldg.	30	71	71	71
Packsack	100	.24	.24	.24
Sladen	200	.32	.32	.32
United Grain	20	13	13	13
Wingold	4,400	.09½	.03½	.09½
Wylie Dom	2,000	.36	.35	.36
Vanson Man.	3,900	.03	.03	.03
West. Brew.	50	2.10	2.10	2.10

Stocks Not Traded in During Week

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
City Dairy, A	..	8
Comm. Securities	..	10
Home Invest.	24	25
North. Trust	7	..
Pelissiers	..	¼
Do., pref.	50	..
West. Steel, pf.	6	..

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ended March 23, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P. Debs.	3	'39	50¾	50¾	51	50
McNish	6	'48	3.15	3.00	3.75	3.00

Investment Trusts

Trans-Canada	12.00	12.80
All Can. Com. Trustee Shs.	11.75	12.25
Can. Int. Trustee	5.25	5.75
Grouped Income	5.93	6.50
Can. Invest. Fund	4.15	4.43
Can. Amer. Trust	3.90	4.25
Can. Equity Shares	12.00	...

Public Utility Earnings

Brazilian Traction

February:	1936 $	1935 $	Decrease $
Gross earn.	2,436,821	2,473,037	36,216
Oper. exp	1,129,009	1,160,740	31,731
Net earn.	1,307,812	1,312,297	4,485
Two Months:			
Gross earn.	4,892,199	5,047,616	155,417
Net earn	2,618,293	2,672,426	54,133

Canada Northern Power

	1936 $	1935 $
February:		
Gross earnings	371,342	352,049
Oper. expenses	136,376	130,534
Net earnings	234,966	221,515
2 Mos. end. Feb. 29:		
Gross earnings	755,912	717,348
Oper. expenses	278,546	264,675
Net earnings	477,366	452,673

Company Earnings Reports

Asbestos Corp.

Asbestos Corp.'s financial statement for 1935 shows an official income of $371,071. After deducting all charges, including interest on the general mortgage bonds, there was a balance of $15,415 available for dividends on the common stock, as contrasted with a deficit of $142,846 in 1934.

The income account does not reflect the full improvement which took place in the company's affairs over the past twelve months. Among the current accounts, bank loans at $75,000 were retired. The balance sheet shows that, aside from current items, there was a decrease in liabilities of $419,290, of which amount half came from surplus earnings and the balance from realization of assets. On top of this, there was a net gain in working capital of $89,845.

The volume of sales handled by the company in 1935 increased over 1934 by 31.6 per cent in dollar value and 33.6 per cent in tonnage. This improvement enabled the company to pay 3 per cent on the general mortgage income bonds, leaving 9 per cent still in accrued arrears on that issue. Further the underlying bonded debt was reduced by $200,000, while $18,000 of the general mortgage bonds were redeemed.

Income and Surplus Account
Year Ended December 31

	1935	1934
	$	$
Operating revenue	354,693	......
Other revenue	16,377	......
Less: Legal fees	2,096	......
Exec. salaries	45,704	......
Net revenue	323,271	170,844
Less: Depreciation	125,000	125,000
Directors fees	1,500	1,200
Under. interest	41,854	45,830
General interest	139,500	141,660
Balance	15,415	*142,846

*Deficit.

Working Capital

	1935	1934
	$	$
Current assets	987,514	931,519
Current liabilities	246,660	280,510
Working capital	740,854	651,009

Hamilton Cotton Co.

On reduced rate of operations earnings of Hamilton Cotton Co. for the 13 4-week periods ended December 28, 1935, were proportionately lower than in 1934. Forward bookings in 1936 are better.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Net earnings † •	156,956	188,736
Less:		
Bond interest	44,715	46,420
Directors' fees	1,400	1,400
Provision for taxes	25,000	22,000
Net profit	85,841	118,916
Less apropriations:		
Pref. dividends	28,518	......
Surplus for year*	57,323	118,916
Add: Prev. surplus	366,055	282,375
Less: Inc. tax prev. year	1,219	5,833
Non-recurring losses	......	29,403
Loss on bonds	535	......
Bal. car. forward	421,624	366,055

*Subject to income tax.

†After depreciation, management and executive salaries, etc. In 1935 depreciation of fixed assets amounted to $99,324, and executive remuneration $29,700; in 1934 depreciation $102,413.

•Including income from investments of $1,131 in 1935; $927 in 1934.

Working Capital

	1935	1934
	$	$
Current assets	837,631	886,860
Current liabilities	151,676	308,824
Working capital	685,955	578,036
Ratio	5.54—1	2.87—1

Langley's Ltd.

Sales of Langley's Ltd., in 1935 were below the volume of the previous year, but there was a decided improvement in December business, which has continued into 1936, the annual financial report of the company reveals.

Encouraged by the December upturn, directors paid a quarterly dividend on the 7 per cent preferred shares in February of this year. Full 7 per cent dividend requirements of $39,599 were paid on the $565,700 outstanding preferred in 1935 against net earnings of $6,085 or $1.07 per share on the preferred, after depreciation, compared with earnings of $3.94 per share on the preferred after depreciation in 1934.

The 1935 balance sheet shows a decline in net working capital, but total assets stand at $1,423,538 compared with $1,412,600 at the end of 1934. Auditors' report shows that seven quarterly dividends on the cumulative preferred, amounting to $69,298, are now in arrears.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1935	1934
	$	$
Net operating profit	37,409	56,909
Add misc. inc., inter., etc.	4,679	4,675
Less directors' fees	470	460
Net earnings	41,618	61,124
Less interest & exch.	452	444
Less obsolesc. & depr.	34,404	34,976
Less inc. tax reserve	676	3,409
Net profit	6,085	22,304
Less appropriations:		
Preferred dividends	39,599	29,699
Surplus for year	‡33,514	‡7,395
Add previous surplus	79,399	84,683
Add prof. on secs. sale	401	3,563
Less sundry adjust.	1,592	1,451
Bal. carried forward	44,694	79,399

‡Deficit.

Working Capital

	1935	1934
	$	$
Current assets	147,682	164,976
Current liabilities	38,155	16,307
Working capital	109,527	148,669

Can. Locomotive

Canadian Locomotive Co. reports an operating loss of $119,379 for 1935. This is in contrast with a loss of $71,781 in 1934.

The accounts for last year show that no depreciation was charged nor was bond interest of nearly $63,000 taken into consideration as the latter is payable only if earned, although on a cumulative basis since the beginning of 1934. A bank loan of $55,000 is shown in the current report.

Income and Surplus Account
Year Ended December 31

	1935	1934
	$	$
Operating loss	87,572	......
Add: Legal Fees	32	......
Exec. salaries	30,125	......
Directors' fees	1,650	*
Loss for year	119,379	71,781
Less: Invest. income	4,224	8,758
Profit Sec. Sales	20,025	5,503
Payment on Patent	......	2,000
Net loss for year	95,130	55,520
Previous deficit	134,100	78,580
Deficit forward	229,230	134,100

*$1650.

Working Capital

	1935	1934
	$	$
Current assets	340,994	304,691
Current liabilities	198,646	50,352
Working capital	142,348	254,339

American Cyanimid

Consolidated statement of American Cyanimid Co. shows greatly increased earnings and working capital. The year's net income was equivalent to $1.61 a share as compared with 99 cents in 1934.

Consolidated Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Net oper. profit	7,738,826	5,732,718
Less: Depr. & depl.	2,118,016	1,885,997
	5,620,810	3,846,721
Add other income:		
Divds., int. & disc.	421,983	362,001
Foreign exch. profit	......	43,199
Royalties, licenses, etc.	348,765	311,797
Other earnings	30,123	30,575
	6,421,681	4,594,293
Less:		
Res. & devel. exp.	1,186,538	1,201,416
Interest charges	437,062	390,164
Income tax reserve	622,201	403,143
Min. int. in subs.' net income	113,723	103,926
Net profit	4,062,160	2,495,644
Less appropriations:		
Dividends	1,134,166	874,626
Surplus for year	2,927,994	1,621,018
Add: Prev. surplus	7,634,830	6,013,812
Balance forward	10,562,824	7,634,830

Working Capital

	1935	1934
Current assets	27,150,755	21,827,776
Current liabilities	6,048,084	5,998,827
Working capital	21,102,671	15,828,949
Ratio	4.48—1	3.64—1

Canada Iron

Canada Iron Foundries financial statement for 1935 shows income maintained, while the balance sheet reflects an improvement over a year ago.

The balance sheet shows an increase of around $86,000 in the investment account, which now stands at over $3.1 millions. Inventory showed gain of about $50,000, and while cash on hand declined from $129,273 to $12,271, call loans increased $50,000 to $250,000. The only change of interest among the liabilities is the liquidation of a $25,106 loan.

Income and Surplus Account
Year Ended December 31

	1935	1934
	$	$
Operating profit	152,613	†......
Other income	143,087	235,033
Gross income	295,700	......
Less: Legal fees	1,275	......
Exec. salaries	14,859	......
Net revenue	279,566	†303,251
Less: Depreciation	13,654	12,220
Red. expense		291
Maintenance	3,262	3,397
Taxes	18,691	10,305
Tax adjustment	1,899	9,985
Dividends	116,334	116,334
Surplus for year	109,592	152,632
Previous surplus	67,805	518,186
Surplus forward	781,397	671,805

†Includes operating income.

Working Capital

	1935	1934
	$	$
Current assets	1,343,932	1,289,006
Current liabilities	213,541	151,794
Working capital	1,130,391	1,137,212

Western Grocers

Western Grocers Ltd., Winnipeg, had earnings in 1935 of slightly over twice preferred dividends and equal to $4.97 a share on the common stock. Earnings were $4.02 a share on the common in 1934.

In October, 1935, the company acquired all the common shares of H. H. Cooper Ltd., Edmonton, wholesale grocery firm. It is stated in the annual report that this will prove of great advantage to Western Grocers. Another subsidiary, Dominion Fruit Ltd., had a profit in 1935 that is not reflected in Western Grocers statement.

Working capital increased nearly $82,000 in 1935.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Operating profit	296,707	
Less: Exec. salaries	47,970	219,412
Legal fees	626	
Directors' fees	4,000	3,750
Net earnings	244,111	215,662
Less: Depreciation	29,139	31,806
Reserve for taxes	47,187	32,147
Net profit	167,785	151,709
Less: Pref. dividends	83,601	83,601
Common dividends	33,886	8,471
Surplus for year	50,298	59,637
Add: Prev. surplus	378,680	319,043
Adjustments	239	......
Surplus forward	429,217	378,680

Working Capital

	1935	1934
	$	$
Current assets	1,945,547	1,751,173
Current liabilities	521,313	408,611
Working capital	1,424,234	1,342,562

Canadian Goodrich

Canadian Goodrich Co. reports net trading profits of $333,075 for 1935 on increased sales as compared with $269,697 in 1934.

Net profit was $66,556 after depreciation, bond interest and other charges. In 1934 the net profit had been $68,044. Interest on the income bonds was paid at the rate of 4¾ per cent, making $49,808 in all.

Working capital increased during the year from $1.6 to $1.7 millions. Current assets are $2.2 millions and current liabilities $436,544.

Can. Fairbanks-Morse

With an increase of 12 per cent in volume of sales and a lowering of expenses, revenue of Canadian Fairbanks-Morse Co. recorded an appreciable rise during 1935 compared with the previous twelve months. Net income available for depreciation, dividends, etc., stood at $108,340, as against $72,344 in 1934. There was a small deficit for the year after all charges, compared with a loss of $43,420 in the previous year.

The balance sheet shows a strong working capital position, net amounting to just under $2.6 millions. There was a partial liquidation of investments, this account standing at $530,310 at the close of 1935 compared with $670,255 in 1934.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating profit	100,763	......
Invest. income	67,989	......
Less: Legal fees	962	......
Exec. salaries	59,450	......
Net revenue	108,340	72,344
Less: Depreciation	21,664	22,176
Sub. dividends	21,000	21,000
Pfd. dividends	72,300	72,588
Add: Divd. on shares held	246	......
Less: Income taxes	1,400	......
Balance	†7,678	†43,420
Previous surplus	*864,879	......
Surplus forward	857,201	......

†Deficit. *Adjusted.

Working Capital

	1935	1934
	$	$
Current assets	2,798,441	2,672,785
Current liabilities	200,276	188,389
Working capital	2,598,165	2,672,785

Aluminium Ltd.

Aluminium Ltd. consolidated financial statement for 1935 shows a gain in both gross and net income of about $500,000 during 1935 compared with the previous year. Earnings on the preferred stock, on which dividend arrears total $21.75, amounted to $5.03 a share, as against 80 cents a share in 1934.

Changes in the balance sheet are of limited interest. Funded debt was reduced from $18.1 millions to $17.2 millions, while the debt of wholly owned subsidiary companies declined from over $2 millions to $1.7 millions.

During the past year the company spent about $1.8 million on plant extensions. Advances to subsidiary companies show a net increase of about $1 million, including $810,000 of notes. Marketable securities declined from over $1¼ millions to $331,000. Cash on hand shows an increase of nearly $200,000 to $1.9 millions.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross income	4,085,379	......
Less: Legal fees	38,141	......
Exec. salaries	326,347	......
Net revenue	3,720,891	3,228,303
Less: Depreciation	1,483,905	1,457,778
Interest	1,293,642	1,632,376
Directors' fees	20,847	20,630
Amort. disc.	77,823	......
Income tax	5,914	3,311
Sub. losses	200,000	......
Bad debt res.	......	55,000
Surplus for year	628,760	100,468
Previous surplus	273,559	173,091
Surplus forward	902,319	273,559

Working Capital

	1935	1934
	$	$
Current assets	18,452,646	18,490,360
Current liabilities	7,225,693	7,012,051
Working capital	11,227,053	11,478,309

Pelissier's Ltd.

Annual report of Pelissier's Ltd., Winnipeg brewery before giving effect to the sale of assets of the company to United Securities Ltd., for $200,000, reveals that earnings continued to decline in the fiscal year ended January 31, 1936. Net loss was $12,359, compared with $684 net loss in the preceding fiscal year.

Sale of the company's assets, over which legal proceedings are reported to have been instituted, includes assumption by the purchaser of all liabilities, losses and profits, from December 31, 1935.

Income and Surplus Account
Years Ended January 31

	1936	1935
	$	$
Net earnings	925	11,100
Less: Directors' fees	1,550	1,220
Man. dir. salary	1,200	......
Depreciation	10,534	10,564
Net loss	12,359	684
Add: Prev. deficit	12,812	12,588
Excess of cash val. of life ins. policy over prem.	......	460
Deficit forward	25,171	12,812
Capital Surplus:		
Purch. of pref. for retirement	61,434	52,623
Less w/o expense	9,323	9,322
Bal. carried forward	26,940	30,489

Working Capital

	1935	1934
	$	$
Current assets	103,471	100,594
Current liabilities	23,431	16,872
Working capital	80,040	83,722
Ratio	4.41—1	5.96—1

Can. Nat. Steamships

For the first time since the formation of the company, Canadian National (West Indies) Steamships operating results show a surplus available for interest requirements. The operating profit last year was $200,030, as against a loss of $96,678 in 1934. After payment of bond interest, the income deficit to be provided by the government was $269,969 as compared with $566,678 in 1934.

The balance sheet of the company shows an increase in the Dominion of Canada account from $6.9 millions to $7.7 millions. On the other hand, advances from the C.G.M.M. were reduced from $409,150 to $117,986.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating revenue	3,816,245	3,509,738
Operating exps.	3,616,215	3,606,416
Operating profit	200,030	*96,678
Less: Debt discount	3,094	3,094
Interest due govt.	318,814	288,940
Depreciation	325,513	319,967
Net deficit	917,390	1,178,679

*Deficit.

Can. National Railways

Net income of the Canadian National Railways available for fixed charges was $8 millions in 1935, over $600,000 less than in 1934. The net income deficit was reduced by lowering of interest charges. The net system loss was $115.3 millions, a new high, compared with $89.7 millions in 1934.

The balance sheet reflects a number of major changes in connection with refunding operations. During the year the total debt guaranteed by the Dominion Government declined from $963.9 millions to $889.7 millions, while the debt guaranteed by the different provinces increased from $72.2 millions to $74.9 millions owing to the inclusion of a $2.7 millions bond issue guaranteed by the province of New Brunswick. The outstanding equipment trust issue declined from $60.9 millions in 1934 to $44 millions in 1935. There was a decrease of roughly $3 millions to $146.1 millions in other issues. Largely offsetting these decreases were temporary loans of $74.7 millions from the Dominion of Canada for the redemption of funded debt.

Profit and Loss Account
Years Ended Dec. 31

	1935	1934
Oper. Rev.	$173,184,502	$164,902,502
Oper. Expenses	158,926,249	151,936,079
Net Oper. Rev.	$ 14,258,253	$ 12,966,423
Other Income	7,525,892	6,361,697
Less: Taxes, rents, etc.	13,769,509	10,711,359
Available for fixed charges	$ 8,014,636	$ 8,616,761
Int. due public	53,468,792	55,811,746
Other interest & fixed charges	3,424,024	2,410,735
Net inc. deficit	$ 48,878,182	$ 49,605,719
Miscell. credits	641,795	2,089,998
Miscell. debits	31,095,627	6,152,054
Interest due govt.	35,949,677	35,994,578
Net system loss	$115,281,690	$ 89,662,353

Working Capital

	1935	1934
Current Assets	$ 74,787,953	$ 65,620,387
Current Liab.	45,330,201	35,691,562
Working Capital	29,457,752	29,928,805

C. G. M. M.

After an unbroken sequence of operating deficits running back to 1921, the Canadian Government Merchant Marine was able to report an operating profit of $311,822 in 1935, an improvement of $439,088 over the previous year. Notwithstanding 24,701 tons of additional cargo handled, with an increase of 20 per cent in operating revenue, operating expenses during the year showed an increase of less than 1 per cent.

The consolidated balance sheet of the C.G.M.M. at the end of 1934 showed advances from the government totalling $50.2 millions, of which $21.8 millions represented accrued unpaid interest.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating revenue	2,764,549	2,302,559
Operating exp.	2,452,727	2,429,825
Operating profit	311,822	*127,265
Less: Int. charges	1,586,664	1,609,021
Depreciation	726,721	726,721
Deficit	2,001,563	2,463,007

*Loss.

Collingwood Terminals

Collingwood Terminals Ltd. reports considerable improvement in net earnings in 1935, so that interest charges were covered. After deducting depreciation and other charges, however, a deficit was recorded, although $9,000 smaller than the 1934 deficit.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Oper. revenue	83,074	74,837
Less: Wages, etc.	13,903	14,334
Taxes	7,927	7,408
Insurance	4,153	2,725
Overhead charges	9,074	10,951
Net oper. revenue	48,017	39,419
Add: Miscel. rev.	......	42
Net earnings	48,017	39,461
Add: Profit on sale of secs.	2,790	1,010
Trans. from conting.	......	775
Less: Int. charges	35,624	35,241
Depreciation	27,000	27,000
Debent. disct.	1,642	1,642
Net loss	13,459	22,637
Add: Prev. deficit	14,943	*7,694
Deficit forward	28,402	14,943

*Surplus

Working Capital

	1935	1934
	$	$
Current assets	58,369	65,081
Current liabilities	8,471	7,792
Working capital	49,898	57,289

Insurance Company Reports

Independent Order of Foresters

Total assets of $44.5 millions at the end of 1935 are shown in the 61st annual report of Independent Order of Foresters as compared with $45.2 millions at the end of 1934. Bulk of the total is represented by bonds having a market value of $24 millions. Mortgage holdings were lower at the year-end at a total of $5.8 millions while real estate account increased due to foreclosures. Policy loans outstanding were reduced at the end of 1935.

Total income from premiums and interest declined $100,000 during the year, the 1935 total being $5.4 millions, while total payments to members and their beneficiaries increased to more than $4 millions of which almost $2.7 millions was paid in death claims; $809,000 for old-age payments, and $342,000 for surrender values. In addition to these payments the company disbursed over $81,000 in orphans' home and sanatorium grants

The report of the actuary, Sidney H. Pipe, shows that after providing for all matured liabilities and the reserves necessary to meet all future benefits there is a surplus of $1.7 millions or $4.1 per cent over and above statutory requirements.

Comparative figures of chief balance sheet items follow:

	$	$
Bonds (market value)	23,988,312	23,988,800
Real estate	6,300,550	5,492,027
Policy loans	6,159,081	6,505,671
Mortgages	5,813,385	7,215,691
Total assets	44,552,103	45,192,741
Policy reserves	39,857,568	40,284,541
Special reserves	1,500,000	1,727,218
Surplus	1,762,323	1,766,987

Canadian Insurance Shares

Earnings of Canadian Insurance Shares, Ltd., in the year ended Feb. 29, 1936, were $44,195, compared with $41,273 in the previous year. These figures are after deduction of $16,377 from the 1936 total and its inclusion in that for 1935. This represents a dividend from Toronto General Insurance Co. which was not declared in 1935 until after the close of the company's fiscal year. After all charges, net profit for the year was $43,558 and surplus forward $18,717.

During the year, 11,905 shares of stock in Toronto General Insurance Co. were acquired, bringing the company's holdings to 81.66 per cent of the issued capital. The interest in Canadian General Insurance Co. is 95.12 per cent of issued capital. Distributable surplus was reduced by $40,328 during the year to $301,374, representing payment of a dividend of $1 a share on May 1, 1935. A further dividend of the same amount has been declared payable April 16, 1936, to shareholders of record April 1.

Total assets show an increase from $1,314,524 to $1,334,346, most of the advance being due to the additional stock interest in the two subsidiary companies. Cash is $52,000 lower at $20,198.

The directors' report states that capital stock difficulties have been satisfactorily dealt with and that the company has now emerged from its organization period and reached a position where earnings can reasonably be expected to be steady.

Profit and Loss and Earned Surplus Account

	Year ended Feb. 29, 1936	Year ended Feb. 28, 1935
	$	$
Tor. gen. div.	19,353	16,377
Candn. gen. div.	23,780	23,655
Int. earned	1,062	1,241
	44,195	41,273
Less: Gen. exp.	512	1,327
Taxes	125	......
Loss on shares sold	......	27,230
Net profit	43,558	12,716
Less: Prev. deficit	24,841	37,557
Surplus forward	18,717	*24,841

*Deficit.

Winnipeg's Newest Hotel
The Marlborough
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220 Rooms

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	Apr. 1	Mar. 16
Acme Glove pf.•	95c	Apr. 1	Mar. 31
Do., arrears	56¼	Apr. 1	Mar. 31
Assoc. Brew.	15c	Mar. 31	Mar. 14
Do., pref.	$1.75	Apr. 1	Mar. 14
Amer. Cyanamid, A	15c	Apr. 1	Mar. 14
Do., B	15c	Apr. 1	Mar. 14
Bralorne Mines	10c	Apr. 15	Mar. 31
Do., extra	5c	Apr. 15	Mar. 31
Brit. Amer. Assur.	$1.25	Apr. 1	Mar. 24
Br. Amer. Oil	20c	Apr. 1	Mar. 16
Bell Telephone	$1.50	Apr. 15	Mar. 23
Brazil T. L. & P., p.	$1.50	Apr. 1	Mar. 16
B. C. Power	40c	Apr. 15	Mar. 31
Bk. of N.S.	$3	Apr. 1	Mar. 16
Belding-Cort.	$1	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 1	Mar. 14
Burt, F. N. c.	50c	Apr. 1	Mar. 10
Do. pref.	$1.75	Apr. 1	Mar. 10
Brantf'd Cord. 1st p.	50c	Apr. 15	Mar. 20
Brew. Corp., pfd.	37½c	Apr. 15	Mar. 31
B. C. Elec. pf.	$1.50	Apr. 1	Mar. 20
Bldg. Prod., A & B	25c	Apr. 1	Mar. 18
Bruck S. Mills	30c	Apr. 15	Mar. 25
Can. Ins. Shares, c.	$1	Apr. 15	Apr. 1
Can. Fairbanks, pf.	$1.50	Apr. 15	Mar. 31
Can. Bronze	25c	May 1	Apr. 20
Do., pref.	$1.75	May 1	Apr. 20
Can. Bread, 1st pf.	$1.25	Apr. 1	Mar. 14
Can. Celanese	40c	Mar. 31	Mar. 17
Do., pfd.	$1.75	Mar. 31	Mar. 17
Do., partic.	95c	Mar. 31	Mar. 17
Do., inc. pd. rights	$1	Mar. 31	Dec. 31
Can. North Pwr., c.	30c	Apr. 25	Mar. 31
Do., pf.	$1.75	Apr. 15	Mar. 31
Can. Packers, c.	75c	Apr. 1	Mar. 14
Can. For. Invests. c.	40c	Apr. 1	Mar. 14
Do., pf.	$2	Apr. 1	Mar. 14
Cariboo Gold	2½c	Apr. 1	Mar. 7
Cons. Bakeries	20c	Apr. 1	Mar. 16
Can. Gen. Elec., c.	$1.25	Apr. 1	Mar. 14
Canadian Oil, pf.	$2	Apr. 1	Mar. 20
Can. Indust. A & B	$1	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Consumers' Gas	$2.50	Apr. 1	Mar. 14
Cosmos Imp.	20c	May 15	....
Can. Perm. Mtge.	$2	Apr. 1	Mar. 14
Can. Westinghouse	50c	Apr. 1	Mar. 20
Can. Wire Box, A	*25c	Apr. 1	Mar. 16
Celanese of Am. p.	$1.75	Apr. 1	Mar. 17
Celanese of Am. pr. pf.	$1.75	July 1	June 6
Do., part. pf.	$3.50	June 30	June 16
Do., participating	68c	Apr. 1	Mar. 17
Do., com.	50c	Apr. 15	Apr. 1
Cent. Can. Loan	$2	Apr. 1	Mar. 20
Cosmos Imp. p. new	$1.25	July 15	....
Can. Canners 1st p.	$1.50	Apr. 1	Mar. 14
Crown Trust	$1.75	Apr. 1	Mar. 31
Can. Cottons	$1	Apr. 1	Mar. 20
Do., pref.	$1.50	Apr. 1	Mar. 20
Confed. Life	$15	Mar. 31	Mar. 25
Crown Life	2½%	Apr. 1	Mar. 31
Can. Iron, pf.	$1.50	Apr. 30	Apr. 15
Canada Life	$5	Apr. 1	Mar. 31
Dom. Found., pf.	$1.50	Mar. 1	Feb. 20
Dom. Rubber, pfd.	$1.75	Mar. 31	Mar. 20
Dominion Glass, c.	$1.25	Apr. 1	Mar. 16
Do., pf.	$1.75	Apr. 1	Mar. 16
Dom. Textile	$1.25	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 15	Mar. 31
Dominion Coal, pf.	75c	Apr. 1	Mar. 15
Dominion Bank	$2.50	Apr. 1	Mar. 20
Dome Mines	50c	Apr. 20	Mar. 31
East. Twps. Tel.	18c	Apr. 15	Dec. 31
Econ. Invest.	62½c	Apr. 1	Mar. 20
East. Steel, pfd.	$1.75	Apr. 1	Mar. 16
Fanny Farmer	12½c	Apr. 1	Mar. 16
1st All Can. Tr. ord.	7½c.	Apr. 15	Mar. 31
Freiman, pfd.	$1.50	Apr. 1	Mar. 14
Guar. of N. Amer.	$1.50	Apr. 1	Mar. 31
Do., extra	$2.50	Apr. 15	Mar. 31
Goodyear Tire	62c	Apr. 1	Mar. 14
Do., pref.	62½c	Apr. 1	Mar. 14
Gen. Trust of Can.	$1.50	Apr. 1	Mar. 28
Gt. Lakes Pr., pf.	$1.75	Apr. 15	Mar. 31
Greening Wire, pf.	$1.75	Apr. 1	Mar. 20
Ham. Cottons, pf.	50c	Apr. 1	Mar. 16
Howe Sound	75c	Mar. 31	Mar. 23
Huron & Erie Mtge.	$1.25	Apr. 1	Mar. 14
Ham. Un. Theat. pf.	$1	Mar. 31	Feb. 29
Hinde & Dauch	12½c	Apr. 1	Mar. 16
Int. Milling, pf.	$1.25	Apr. 14	Apr. 4
Imperial Bank	$2.50	May 1	Mar. 31
Int. State Rlty., A	28c	Apr. 1	Mar. 14
Inv. Found., pfd.	37c	Apr. 15	Mar. 31
Do., on arrears	63c	Apr. 15	Mar. 31
Imp. Tobacco, pf.	3%	Mar. 31	Mar. 13
Do., ord.	8½c	Mar. 31	Mar. 13
Do., final	17½c	Mar. 31	Mar. 13
Int. Power, 1st pf.	$1.50	Apr. 1	Mar. 14
Int. Nickel, c.	25c	Mar. 31	Mar. 2
Do., pf.	$1.75	May 1	Apr. 1
Jam. Pub. Ser., pf.	$1.75	Apr. 1	Mar. 24
Do., pref.	1¾%	Apr. 1	Mar. 24
Jam. P. Ser., c.	37½c	Apr. 1	Mar. 24
Kirk. Lake G.	3c	Apr. 30	Apr. 9
Landed Bank	$1.25	Apr. 1	Mar. 14
London Life	$2	Mar. 31	Mar. 26
Marcus Loews, pf.	°$1.75	Mar. 31	Mar. 21
Mercury Oils	3c	Apr. 1	Feb. 29
McColl-Fron. pf.	$1.50	Apr. 15	Mar. 31
Mitchell, J. S., pfd.	$1.75	Apr. 1	Mar. 16
Monarch Knit., pf.	$1.75	Apr. 1	Mar. 14
Mtl. City & Dis. Bk.	$3.00	Apr. 1	Mar. 14
Moore Corp. A, pf.	$1.75	Apr. 1	Mar. 10
Do., B, pf.	$1.75	Apr. 1	Mar. 10
Do., C	25c	Apr. 1	Mar. 10
Mtl. L. H. & Pr.	37c	Apr. 30	Mar. 31
Mtl. Telegraph	80c	Apr. 15	Mar. 31
Mtl. Tramways	$2.25	Apr. 15	Apr. 3
Nor. Ont. Power	75c	Apr. 25	Mar. 31
Do., pref.	$1.50	Apr. 25	Mar. 31
National Life	62½c	Apr. 1	Mar. 14
Niag. Wire	75c	Apr. 1	Mar. 20
Do., pref.	75c	Apr. 1	Mar. 20
National Trust	$2	Apr. 1	Mar. 21
Nat. Biscuit, com.	40c	Apr. 15	Mar. 13
Nat. Grocers, pfd.	$1.75	Apr. 1	Mar. 23
Neon P. of W. Can. pf.	$1.50	May 1	Apr. 15
National Brew., c.	50c	Apr. 1	Mar. 16
Do., pf.	44c	Apr. 1	Mar. 16
New Eng. Pr., pf.	$1	Apr. 1	Mar. 16
North Star Oil, pf.	‡8¾c	Apr. 1	Mar. 16
Nor. Can. Mining	3c	May 1	Apr. 11
Ont. Loan & Deb.	$1.50	Apr. 1	Mar. 16
Ogilvie Flour, c.	$2	Apr. 1	Mar. 20
Ottawa L. H., pf.	$1.62½	Apr. 1	Mar. 14
Do., com.	$1.50	Apr. 1	Mar. 14
Ottawa Traction	50c	Apr. 1	Mar. 14
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Pickle Crow†	5c	Mar. 31	Mar. 15
Porto Rico Pr., pf.	$1.75	Apr. 1	Mar. 14
Power Corp., pf.	$1.50	Apr. 15	Mar. 31
Do., 2 pf.	75c	Apr. 15	Mar. 31
Premier Mines	3c	Apr. 15	Mar. 12
Do., extra	1c	Apr. 15	Mar. 12
Page Hersey	75c	Apr. 1	Mar. 14
Pioneer Gold	20c	Apr. 1	Mar. 2
Pressed Metals	25c	Apr. 1	Mar. 16
Do., extra	12½c	Apr. 1	Mar. 16
Prov. Paper, pf.	$1.75	Apr. 1	Mar. 15
Reno Gold	3c	Apr. 1	Mar. 10
Second Std. R'lties	1c	Apr. 1	Mar. 16
Sher.-Williams, p.	▲$1.75	Apr. 1	Mar. 15
Sylvanite	5c	Mar. 31	Feb. 22
R. S. Mills, A	50c	Apr. 1	Mar. 14
South. Can. Pwr.	$1.50	Apr. 15	Mar. 20
S. Am. Gold & Pl.	10c	Mar. 30	Mar. 18
Std. Fuel, pfd.	$1.62½	Apr. 1	Mar. 14
Sunshine Min.	50c	Mar. 30	....
Steel of Can.	43¾c	May 1	Apr. 7
Do., pref.	43¾c	May 1	Apr. 7
Smith, H. Pap., pf.	§$2	Apr. 10	Mar. 31
Teck-Hughes	10c	Apr. 1	Mar. 10
Tamblyn, pfd.	$1.75	Apr. 1	Mar. 21
Toronto Elev., pf.	$1.75	Apr. 15	Apr. 1
Tor. Gen. Trusts	$1	Apr. 1	Mar. 21
Toronto Mtge.	$1.50	Apr. 1	Mar. 14
Tip Top Tailors, pf.	$1.75	Apr. 1	Mar. 16
Toburn Gold	2c	May 21	Apr. 21
Tuckett Tob., pf.	$1.75	Apr. 15	Mar. 31
Un. Bond & Sh.	10c	Apr. 15	Mar. 27
Un. Gold Equit.	3c	Apr. 15	Apr. 6
Unit. Secs.	50c	Apr. 15	Mar. 26
West. Assur., c.	$1	Apr. 1	Mar. 24
West. Grocers, c.	50c	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20
West. Koot. Pr. pf.	$1.75	Apr. 1	Mar. 10
Westminster Paper,	20c	May 1	....
W. Hargraves	10c	Apr. 1	Mar. 10
Do., extra	5c	Apr. 1	Mar. 10
Weston, Geo., c.	15c	Apr. 1	Mar. 23

†Initial.

▲For quarter ending May 31, 1934.

•Includes adjustment of 13¾c. for 3½ months ended Mar. 31, 1936; previous payments made Mar., June, Sept. and Dec. 15.

*On arrears.

‡For quarter ended Jan. 1, 1935.

°For quarter ended Dec. 31, 1929.

§Plus one-eighth share of preferred stock plus one share of common stock, all payable in settlement of arrears.

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Trust and Loan Companies

Fidelity Trust Co., of Winnipeg

Operations of the Fidelity Trust Co., Winnipeg, in the year ended Dec. 31, 1935, resulted in a loss of $608, as compared with a $2 profit in the previous year. Consequently, there is now a deficit of $531 carried in the balance sheet. Total assets are down from $472,349 in 1934 to $468,701. Other changes in the balance sheet include an increase of almost $7,000 in bank loans, and a drop of $10,805 in investment reserve.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	%	%
1931	495,489	263	..	..
1932	491,524	*1,423	..	..
1933	465,811	*2,300	..	..
1934	465,811	2	..	..
1935	455,006	*608	..	..

*Loss.

Year	Total Assets	Reserve Funds	Liab. to Public
	$	$	$
1931	503,858	43,446	5,000
1932	499,323	39,479	5,287
1933	465,967	39,479	47
1934	472,348	39,479	6,437
1935	468,701	28,674	13,429

Western Homes

Western Homes, Ltd., reports net profit, before deduction of income tax, of $20,668 in 1935 as compared with $28,407 in 1934. After all charges and dividends, surplus at the year end is shown at $39,498. Assets total $1,615,756, of which $1,094,031 is in mortgage investments. Seventy per cent of mortgages are held on city properties and the remainder on farms. Paid up capital was increased by $7,895 during the year and now stands at $1,434,939. Reserve fund is unchanged at $140,000.

Willis Argue, president of the company, states that city mortgagors living in their own homes have with few exceptions made satisfactory payments. In the case of properties dependent on rent for revenue, however, he claims that it is impossible to secure satisfactory returns, as rents at the present level will not cover all carrying charges, including a reasonable interest rate on the mortgage. Returns from farm loans were adversely affected by the poor crop in a large part of the Prairies last season.

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Let's Look at the Record !

AS OF DECEMBER 31, 1935

	Assets	Surplus
Hardware Mutual Fire Insurance Company of Minnesota	$7,010,079.94	$2,731,408.57
Hardware Dealers Mutual Fire Insurance Company	$5,947,066.55	$2,547,288.15
Minnesota Implement Mutual Fire Insurance Company	$5,557,426.87	$1,507,899.75

Since organization each of the Federal Companies has paid dividends over $17,900,000.00 to its policyholders.

Present Dividend Schedule 20%-40%.

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FEDERAL HARDWARE & IMPLEMENT MUTUALS

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Hardware Dealers Mutual Fire Insurance Company, Stevens Point, Wisconsin.
Minnesota Implement Mutual Fire Insurance Company, Owatonna, Minnesota.

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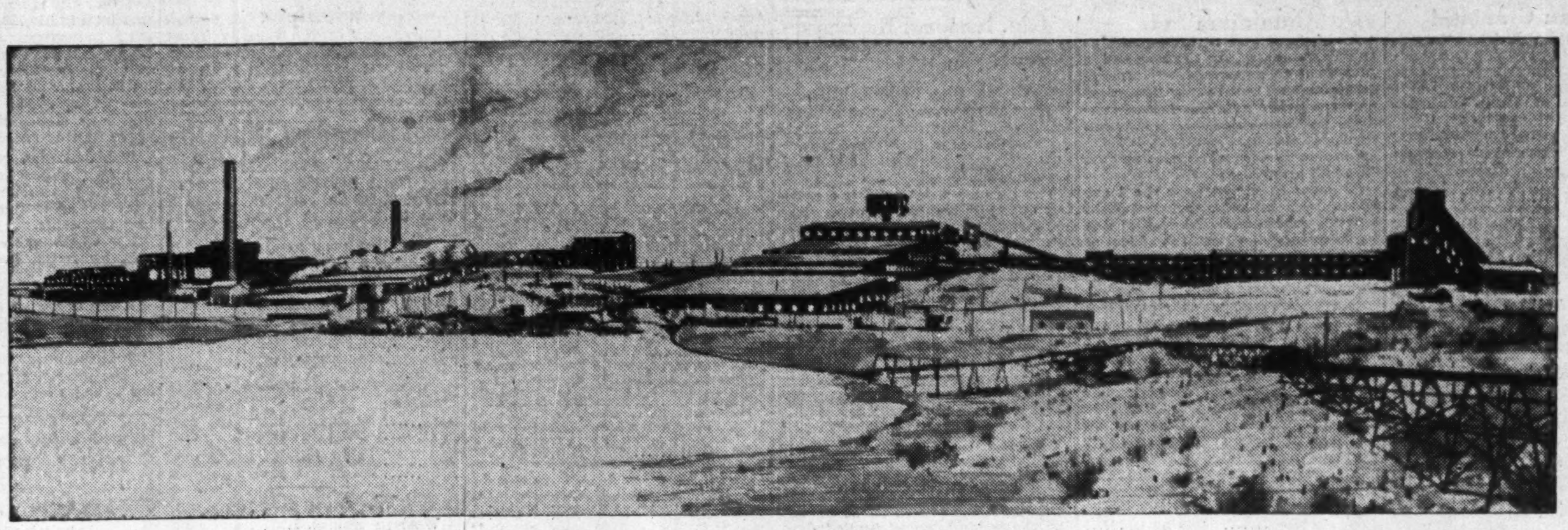


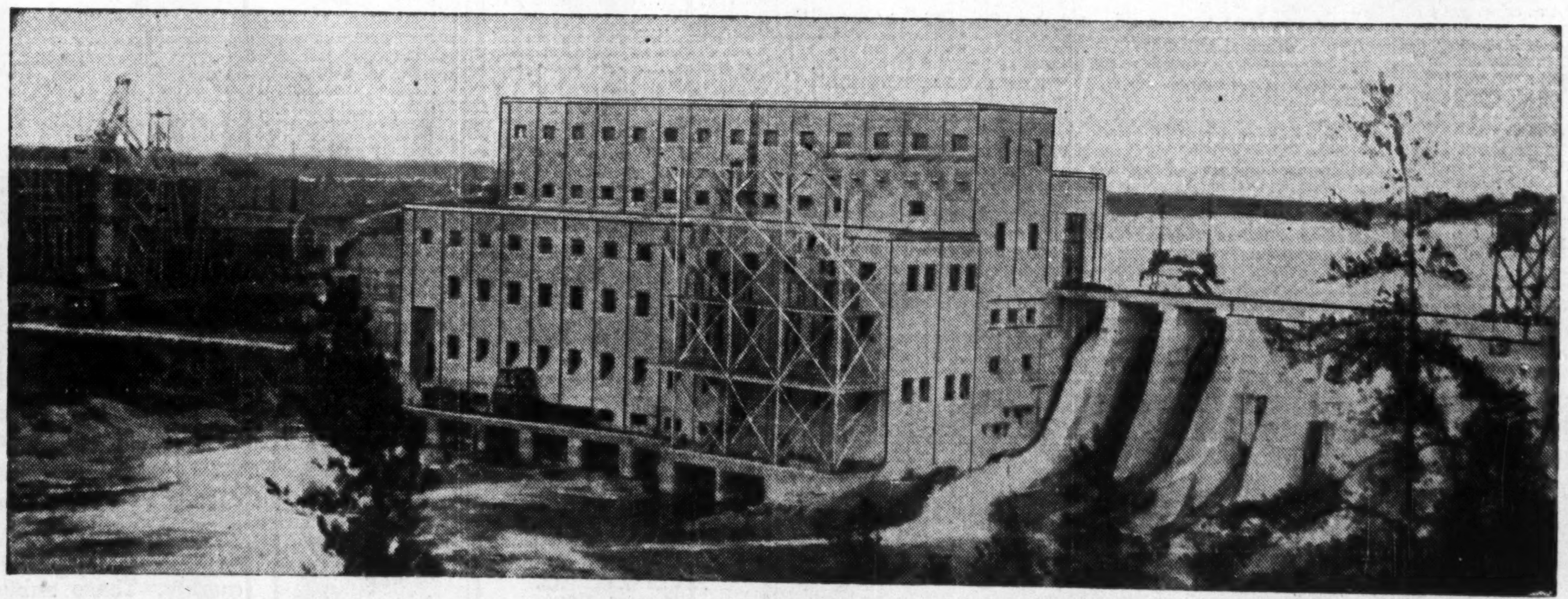
Mine, Smelter and Zinc Plant at Flin Flon, Manitoba

Hudson Bay Mining and Smelting Company's Contribution to the Economic Development of the Prairie Provinces of Canada

Since the first pick was struck in the ground in 1927 inaugurating the work on its plants at Flin Flon, Manitoba and Island Falls, Saskatchewan, the Hudson Bay Mining and Smelting Co. Limited has spent in construction and operation $49,500,000.00.

During the year 1935 cash expenditures were as follows:

Labor	**2,295,783.75**
Freight	**1,202,848.90**
Supplies & Miscl.	**3,792,687.77**



Hydro-Electric Power Plant at Island Falls, Saskatchewan

Hudson Bay Mining and Smelting Co., Limited

Incorporated Under The Dominion Companies Act, Dec. 27, 1927.

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Investor Can Get Gamble or Stability In Utility Securities

Sharp Investment Contrasts Should be Noted by Buyer

LEVERAGE IMPORTANT

Public utility securities have long been regarded as among the most stable of corporation investments.

The ordinary investor, however, has often erred seriously by failing to note the difference between the various types of utility securities, or in overlooking differences between the kinds of utility services.

There was once a time, before the Great War for example, when bonds and shares of most electric tramway companies were regarded as gilt-edged. The coming of the automobile dispelled the illusion in many cases.

Again, there was a time, before the Great Depression, when the riskiest types of public utility securities were bought eagerly by many investors. They found out how risky some of their investments were when it was too late to do much about it.

Common Peculiarities

Clearly there must be discrimination in public utility securities just as in other investments. However, there are certain peculiar features of operations of public utilities that apply to most investments in the field. They include:

1. Public services of utilities, particularly when under franchise, approach the functions of government and are concerned with the public interest so that utilities are subject to government regulation.
2. Operating conditions often tend toward monopoly so that utilities sometimes have a job to maintain public goodwill.
3. Assets of utilities are not readily moveable so that the peculiar conditions of government and business in the operating territory may be of vital concern to the investor.
4. Credit risks of customers are usually nil and privileges granted to utilities usually make for stability of earnings, at least for operating companies.

Case of Difference

Getting down to cases makes the differences in public utility securities clear.

Two years ago when bonds were at low levels, a Manitoba investor was approached by a security salesman to trade a National Light & Power six per cent bond at about 67 for an International Hydro-Electric six per cent debenture at 65. The idea was to retain income and to make a slight profit on the deal.

The investor made enquiries. He found that National Light was an operating company supplying power and light to Moose Jaw and vicinity and that his bond represented a first mortgage. True the territory wasn't very prosperous but the utility was a necessity.

On the other hand, the debenture offered to him represented not a first mortgage but a loan secured by shares in a number of operating utilities in Canada and the New England states. The holding company was subject to the adverse Roosevelt utilities policies which had been in the wind for years, and any adverse developments for the subsidiaries would be felt to a more than proportionate extent by the holding company's debentures.

By retaining his first mortgage bond, the investor has seen his security return to 100, whereas if he had bought the holding company debenture he would have seen it resting around 51, and at times even lower.

Operating and Holding

One of the first distinctions to make in analyzing utility investments is whether the company is an operating or a holding company. Sometimes a company will be partly an operating company, partly a holding unit.

Analysis of the merits of securities of operating companies is fairly simple. First, it should be noted whether the company is a wholesale or retail distributor. A diversity of customers is desirable. Ottawa Valley Power Co., for instance, is badly involved through cancellation of its contract with the Ontario Hydro, its only major customer. Beauharnois is a wholesaling firm that must now depend largely on Montreal Power for its revenue, its other large customer, the Ontario Hydro, having repudiated.

A second point of analysis in an operating utility is the capitalization. American experience indicates an investment of not over $200 per horsepower of primary power output as reasonable. As a rule of thumb, this may be used as a guide to whether the total capitalization is excessive.

In electric utilities, bonds usually form a large part of the capital because of the large sums required for development, particularly for hydro-electric power generation.

Earnings Requirements

Then earnings. The amount available for bond interest should usually be above 1½ times the interest charges, after allowing for such charges as depreciation. Sometimes, however, earnings are stated "before depreciation and interest charges." However, even earnings after depreciation may be over-optimistic if the depreciation allowance is inadequate. Depreciation and maintenance should normally be charged at about 2½ to 3½ per cent of property account. If the utility's assets are likely to depreciate quickly, the charges should be greater.

Dividend requirements for preferred shares are usually expected to be covered by a wider margin than bond interest, say two times.

Appraisal of common stocks of operating utilities—like appraisal of the value of other common shares—is difficult. First, because all common shares fluctuate widely in accordance with current sentiment and financial conditions apart entirely from general business conditions.

Power Capital $1,430.8 Millions

Capital invested in central electric stations in Canada increased by 100 per cent from 1925 to the end of 1934. Figures are $726.7 millions to $1,430.8 millions. Well over 90 per cent of the capital is invested in generating facilities.

The distribution of the capital investment in central electric stations by provinces at the beginning of 1935 follows:

P. E. I.	$ 1,130,541
Nova Scotia	30,745,929
New Brunswick	31,597,403
Quebec	647,879,999
Ontario	493,414,209
Manitoba	77,352,060
Saskatchewan	25,484,592
Alberta	27,102,474
British Columbia	96,144,878

Market Values

Records show that market values of shares of public utilities usually vary from about 10 to 20 times earnings per share. Montreal Power, for example, at $33, is selling at nearly 19 times the 1935 earnings of $1.75 a share.

The yield on Montreal Power at present prices is about 4½ per cent, compared with a rate of three per cent on prime government bonds and about four per cent on high quality utility bonds. The yield on the shares and on those of other utilities compares attractively with returns from shares of many manufacturing companies. That is, utilities are relatively less highly valued in relation to earnings.

One reason that a modest value is placed on some utility stocks at present is that there is not the same prospect of rapid increase of earnings as there is in other fields. The very stability of utility earnings may make some utility shares less attractive to the speculator than to the investor.

Leverage Principle

The "leverage" principle in utility shares gives greater opportunity for rapid increase in earnings and values than exists for shares where there is no "leverage" at work.

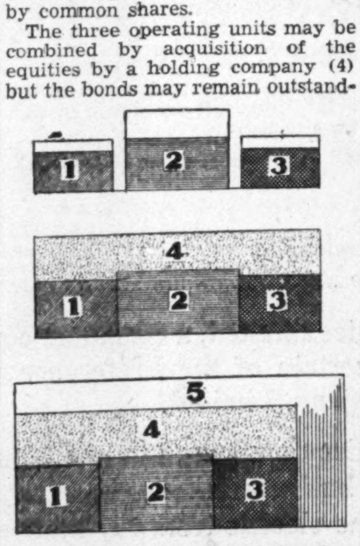
Leverage is a term used to describe the influence of fixed charges on earnings applicable to common shares. In the case of Southern Canada Power, for instance, net earnings have dropped from $1.4 millions to about $1.3 millions since 1932. Total fixed charges haven't changed greatly. The decline in earnings per common share, therefore, has been disproportionate. Earnings were 94 cents a share in 1932 and 75 cents a share in 1935, down over 20 per cent. On the other hand, however, if and when earnings rise, the common would stand to gain more than proportionately.

Holding Company

Leverage is most pronounced in holding companies where there is a pyramiding of capitalizations.

The manner in which holding companies may be formed is illustrated in the accompanying diagrams. The units (1), (2), (3), represent operating companies. Shading represents bonds, the white areas being the equity represented by common shares.

The three operating units may be combined by acquisition of the equities by a holding company (4) but the bonds may remain outstanding. The figure (5) represents a further extension of the holding company principle where a second holding firm acquires control of (4). The second company (5) is partly an operating utility.



Leverage at Work

The way leverage may work to increase earnings of the final holding company in a recovery period is illustrated:

	Recovery Year $	Depression Year $
Earnings of group	1,000,000	800,000
Bond int. of (1) (2) (3)	300,000	300,000
Balance	700,000	500,000
Bond int. of (4)	200,000	200,000
Balance	500,000	300,000
Pfd. divs. of (5)	100,000	100,000
Net on com. of (5)	400,000	200,000

In this hypothetical case, earnings on the common shares of the second holding company (5) are doubled on an increase in total earnings of only 25 per cent.

Reversing the years, however, it is also apparent that in going from good times into depression, the earnings of the second holding company suffer much more severely than those of the operating companies. The same effects may result from other, but similar causes through the leverage principle.

Chances of Gains

In a period of recovery in utility earnings, therefore, the greatest opportunities for increased earnings, dividends and values lie in "leverage" securities. When depression follows a boom, such securities often prove the dangers of the risks in investing on the outer fringe of earnings.

Some of the more popular utility securities, in which the leverage principle may lift recovery earnings substantially, include:

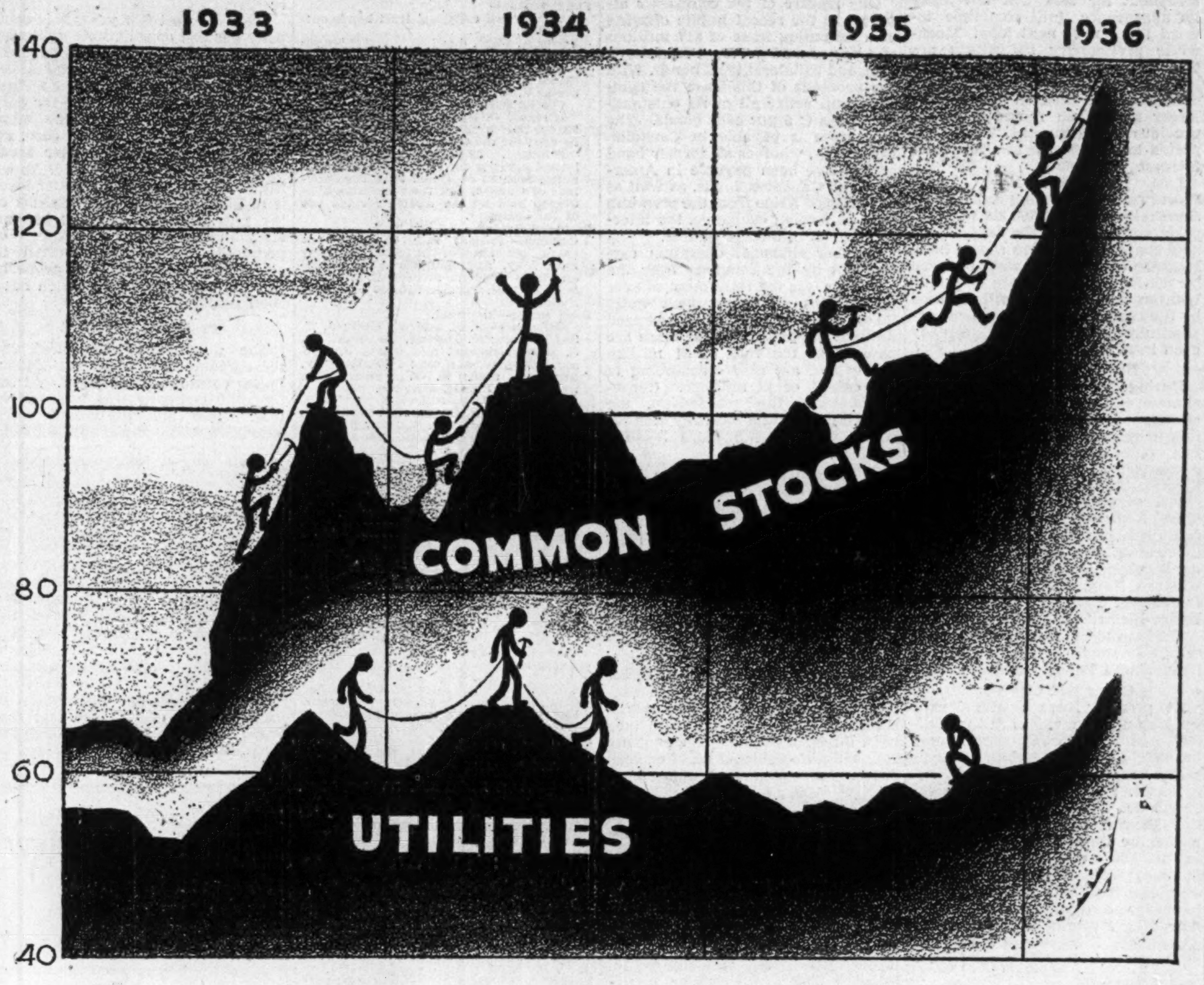
Power Corp. of Canada common.
B. C. Power Corp. A and B shares.
Union Gas Co. common shares.
Shawinigan Water & Power common.
Canadian Hydro-Electric preferred.
Int. Hydro-Electric 6 per cent debentures.
Winnipeg Electric preferred.

Investor Safety

The foregoing are not what can be termed safety first securities. They represent the possibility of capitalizing on improving earnings in a period of recovery.

For the investor who requires safety of principal first and foremost, bonds and preferred shares of well-established utilities must be given first choice. There is a long list from which to choose on which interest and dividends have been covered 1½ to 2 times or more, even in depression. The same cannot be said of securities of companies in less stable industries. Utilities, therefore, offer both speculative attractions and investment stability, depending upon the investor's choice of securities.

Average Level of Utilities' Shares Below Market



UTILITIES APPEAR TO NEED SOME OF THAT HIGH MOUNTAIN AIR.

TAXES and Taxes

Private Power Companies Pay 91 Per Cent of Industry's Tax Bill—7% of Gross Revenue—Provincial and Municipal Systems Favored

BY JOHN E. LANGDON

The goose that laid the golden egg was a piker compared with the privately-owned power companies operating in Canada.

Every day of the year—Sundays and holidays included—the federal, provincial and municipal governments receive over $16,000 in the form of taxes from the power companies.

Governments must run and the power companies do not object to contributing their share of taxes, though they have grown at an alarming rate in the past few years. Other businesses, as well as individuals, are called upon to pay, so that the privately-owned power companies are not doing anything extraordinary in contributing $16,000 daily to the coffers of the different goverments.

Subject to Criticism

If the matter ended there, all would be well. But the private companies have been subjected to increasing public criticism—a criticism which takes the form of comparing the rate schedules of the private companies with those charged by the often tax-free provincial and municipal systems.

Survey Substantiates Claim

In this special survey of the tax situation as applied to the publicly-operated and privately owned central electric systems, the figures used and the conclusions drawn have been based on returns made to the Dominion government. It brings to light a situation which is not well known, even among those strongly opposed to government ownership, and substantiates the argument that the privately-owned companies are bearing a tax burden out of all proportion to that borne by the provincial and municipally-owned systems.

How It Works Out

In 1934, the latest year for which complete statistics are available, the central electric stations in Canada had a gross revenue of $124,463,613, on which taxes of $6,384,481 were paid.

The provincial and municipal systems accounted for $47,154,000 of this revenue and the privately-owned companies $77,309,000.

Of the taxes paid, the privately-owned companies contributed $5,860,793 and the provincial and municipal systems only $523,688.

Put in a Nutshell

Briefly put it can be said that over 91 per cent of these taxes were paid by the privately-owned companies and amounted to over 7 per cent of their revenues and 0.030 cent per kilowatt hour of output.

The private companies do not complain about this obvious and unfair distribution of the tax bill among the central electric stations. They appreciate that business by government is seldom equitable. They do feel, however, that if their rate schedule is to be compared with that of the provincial and municipal systems, then the latter should be called upon to bear their proportion of taxation.

B. C. Takes Lion's Share

Some highly interesting figures on taxes are obtainable from the government records for British Columbia. For example, utilities pay in taxes a larger percentage share of the central electric station revenue than any other province—8.80 per cent in 1934. Quebec ranks next, followed by Prince Edward Island.

It is significant that in all three provinces public ownership of central electric stations is limited. In those provinces where public ownership is followed, taxes are light. The citizens of Ontario paid $52,785,524 for light and power in Ontario, but of this amount only 2.2 per cent was paid in taxes. The privately-owned companies in Quebec, with $6 millions less in revenue, contributed 7.05 per cent of their income in taxes to various government authorities.

Where Public Ownership Pays

The gross revenue received by central electric stations in each province and the amount paid in taxes is set out hereunder:

	Gross Revenue	Taxes	% of Gross
P. E. I.	$ 279,745	$ 17,108	6.15
*N. S.	4,904,770	273,062	5.55
*N. B.	3,121,418	97,145	3.10
Que.	46,818,247	3,296,653	7.05
*Ont.	52,785,524	1,178,520	2.22
*Man.	6,378,674	249,032	3.90
*Sask.	4,229,402	135,146	3.25
†Alta.	4,585,384	194,793	4.25
B. C.	10,715,293	943,022	8.80
Canada	124,463,613	6,384,481	5.12

* In these provinces, the provincial governments are engaged in the power business.

† Major share of domestic business in province carried on by municipally-owned systems.

Maritime Municipals Favored

Even more illuminating figures are secured by examination of the taxes paid by the provincial and municipal systems and the privately-owned systems in the five main economic areas.

In the Maritimes the provincial and municipal systems, collectively, paid around $3,500 in taxes during 1934, compared with a gross income of over $1.7 million. The privately-owned companies had an income of $5 millions, but paid out in taxes nearly $400,000.

The particulars follow:

P. E. Island

	Gross Revenue	Taxes Paid
Municipal	$ 54,261	$ nil
Privately-owned	225,484	17,108

Nova Scotia

	Gross Revenue	Taxes Paid
Prov. & mun.	$ 1,624,793	$ 3,187
Privately-owned	3,279,977	269,875

New Brunswick

	Gross Revenue	Taxes Paid
Prov. & mun.	$ 1,057,808	$ 479
Privately-owned	2,063,610	96,666

Quebec Utilities Pay

Quebec is one of the strongholds of the privately-owned power companies and practically all revenues for electric energy accrue to them. However, even in this province there are a few municipal systems, and the amount of their taxes in relation to income is out of proportion in comparison with the private companies' tax bill

Quebec

	Gross Revenue	Taxes Paid
Municipal	$ 1,191,273	$ 10,954
Privately-owned	45,626,974	3,285,599

Ontario Sets Example

Unlike Quebec, Ontario is the stronghold of public ownership in the power business. The Ontario Hydro-Electric Power Commission is one of outstanding examples of public ownership and its operations have been held up as an example of what can be done, though there has been a loss of confidence in the enterprise following repudiation of contracts made with privately-owned companies. However, 80 per cent of the revenues of the central electric stations in Ontario went to the provincial and municipal systems and on this income they paid less than $300,000 in taxes.

The privately-owned companies—some of them in competition with the publicly-owned systems—handled just under $11 millions of business in 1934. If their tax bill had been in proportion to that paid by the provincial and municipal systems, it would have amounted to about $75,000. Actually the privately-owned companies paid $880,847, or nearly 200 per cent more than the provincial and municipal systems.

Ontario

	Gross Revenue	Taxes Paid
Prov. & mun.	$41,841,634	$ 297,673
Privately-owned	10,943,890	880,847

Prairie Situation Interesting

Some curious anomalies are brought by an examination of the returns for the three Prairie Provinces. In Manitoba the two types of systems do practically the same amount of business, but the privately-owned companies' tax bill is twice that for the provincial and municipal systems.

In Saskatchewan the privately-owned companies do about 40 per cent of the business reported by the provincial and municipal systems, but they pay a tax bill twice as great.

In Alberta, while the amount of business is divided about equally between the two types of systems, the privately-owned companies' tax bill is only 33 per cent larger than that for the municipal systems.

Manitoba

	Gross Revenue	Taxes Paid
Prov. & mun.	$ 3,201,570	$ 87,379
Privately-owned	3,177,104	161,653

Saskatchewan

	Gross Revenue	Taxes Paid
Prov. & mun.	$ 2,685,131	$ 44,993
Privately-owned	1,544,271	90,153

Alberta

	Gross Revenue	Taxes Paid
Municipal	$ 2,282,487	$ 79,023
Privately-owned	2,302,897	115,770

No Tax in B. C.

In British Columbia the privately-owned companies do over 90 per cent of the available business and pay a tax of $943,022. Though the municipal systems handle the other 10 per cent of the business, they apparently never heard of a tax collector, for the Dominion Bureau of Statistics reports that they paid no taxes in 1934.

British Columbia

	Gross Revenue	Taxes Paid
Municipal	$ 578,091	$ nil
Privately-owned	10,137,202	943,022

Private Power Industry Feels Taxation Burden

The private utility companies have always been a good mark for taxing authorities, and the proof of this is to be seen in the accompanying table. The listing covers some of the principal privately owned power systems in the Dominion. Back in 1930 about 6 to 7 per cent of their income went to pay taxes. In 1935, despite a drop in revenue for the majority, between 10 and 11 per cent went to meet taxes.

The situation is not a pleasing one, but even in death taxes must be paid.

	1930			1935		
	Gross	Tax	% of Gross	Gross	Tax	% of Gross
B. C. Power	$15,434,341	$ 965,169	6.25	$13,030,091	$1,434,829	10.80
Canada Northern	3,181,504	304,275	9.45	4,166,303	447,955	11.40
Montreal Power	23,484,080	1,559,547	8.60	24,100,511	2,315,964	9.60
Nova Scotia Power	1,879,522	146,881	7.80	*1,815,938	179,182	9.90
Ottawa Power	2,212,886	157,142	7.05	2,184,850	216,613	9.90
Quebec Power	3,677,103	191,503	5.20	2,730,611	200,148	7.35
Saguenay Power	4,365,202	226,961	5.20	4,423,468	326,213	7.37
Shawinigan	14,954,074	538,256	3.60	13,067,800	744,143	5.70
Southern Canada	2,257,421	153,643	6.80	2,141,042	220,404	10.25

* 1934.

Domestic Use of Power Most in British Columbia

British Columbia has a greater density of customers using electric energy than any other province in the Dominion according to a government survey. Ontario is second and Quebec third. The annual average bills for domestic service in 1934 were remarkably close together in all provinces, especially in view of the large difference in consumption and cost per kilowatt hour. This indicates that with adequate supply low rates generally induce increased consumption.

Manitoba showed by far the lowest average cost per kilowatt hour and the largest consumption per customer and per capita. These were largely affected by the flat rate for water heaters in Winnipeg. Flat rate water heaters in Ontario also affect Ontario averages, but not to the same extent because the consumption of these heaters was a smaller percentage of the total consumption than in Manitoba.

Domestic Service Power in 1934

Province:	No. of Customers		Aver bill for year	Aver. per Kw.h.	Aver. Annual Consumption	
	Total	Per 100 Population	$	cts.	Per customer Kw.h.	% of total provincial consump'n
Prince Edward Island	4,097	4.60	32.67	8.34	392	32.7
Nova Scotia	48,852	9.31	25.74	5.32	484	6.1
New Brunswick	35,364	8.32	27.21	4.91	554	5.1
Quebec	378,705	12.55	20.53	3.28	627	2.6
Ontario	606,885	17.00	27.75	1.71	1,619	13.9
Manitoba	73,545	10.06	37.83	.99	3,835	23.8
Saskatchewan	44,463	4.61	39.14	4.99	785	26.0
Alberta	58,375	7.59	30.22	5.81	520	15.6
British Columbia & Yukon	129,237	17.81	25.25	3.06	821	7.4
Canada	1,379,153	12.75	26.47	2.13	1,245	9.6

Gas Holds Its Own With Electricity in Industrial Fields

Advances Are Made in Heating and Cooking Fields

STRONG IN CITIES

While gas is maintaining its place in industry, electricity is apparently outstripping gas so far as illumination and power are concerned and trebled its output in the decade preceding the depression but the gas industry also managed to double its output. And the harder conditions of the depression years still show the gas industry maintaining its spot in the industrial scheme of things.

So far as the natural gas industry is concerned the cheapness of supplies wherever there is an important field, has caused great forward moves on this continent. For cooking and for heating purposes nothing has been able to compete. So long as these wasting assets last—and in Canada engineers appear to expect exploration will add to existing proved areas to meet market needs for from 15 to 50 years ahead, it is not likely they will be ousted from the field by competing agencies.

Do Well in Cities

The artificial gas industry is also firmly entrenched in cities of large population such as Montreal, Toronto and Hamilton. In the latter, outskirts of the city are also supplied by natural gas.

History of the gas business for 130 years shows it meeting progressively the various crises which have threatened its existence. In Canada as in the United States gas was developed first for lighting houses. It displaced candles and later competed sharply with kerosene. Electricity soon established its superiority for lighting to all of these and forced the gas industry into its natural field as a fuel for cooking and heating.

Gas companies have been very enterprising in developing new uses for gas in the household. They are keenly competitive in the sale of gas refrigerators and in sale of gas appliances of all kinds. Their ability to make coke and other substances as by-products has been a factor in their survival in the struggle for existence and for profits.

Artificial gas in Canada has been mainly straight coal gas including coke oven gas. Carburetted water gas made has been only about one-fourth of the coal gas total and comparatively small totals are shown for the straight water gas, mixed coal and water gas, oil gas and acetylene gas.

Naturally sales fell during the depression. When industry flags its demand for gas flags as well. Gas used by makers of gas in their own plants and in associated metallurgical works also fell.

In Ontario there was a great surplus of electric power and large blocks were used for steam conversion at prices far below cost. The decision of the Ontario Government to cancel the Quebec power contracts and to make new ones for only a small portion of the power for which it was previously committed throw these industries back on coal, coke and wood for making steam. Gas companies will get no advantage.

In Ontario the Hydro Commission continues its policy of delivering power into homes at cost for heating water. Lower electric rates to householders have already been promised.

Coal gas manufacture consists of the destructive distillation of bituminous coal. The industry therefore feels keenly any increases in price of coal or obstacles placed by freight rates or duties. The chief by-products are coke, tar and tar oils and ammonia.

Is Less Flexible

The gas industry is less flexible than the electric power industry. Its mains must be underground as compared with the overhead wires which carry power. Electric light wires and poles can more easily be moved and extended. When certain limits of expansion have been reached, the gas company can adjust its services to the needs of customers within very narrow limits. It does best therefore in areas of large and stable population. Its situation improves accordng to the number of customers per mile of main. The industrial user becomes every year of greater importance to such companies but the result is a greater fall than formerly whenever depression hits industry.

Play Significant Rôles

Meters per mile of main generally run on this continent between 100 and 150. New York City has more than 300 meters per mile of main. Toronto has more than 600. Messrs. Badger and Guthmann in their book on "Investment Principles and Practices" (Prentice Hall, N.Y., 1930) believe the gas industry has successfully survived the severe crisis presented by the rapid growth of the electrical industry. Securities of well-managed companies are conservative investments. The number of gas companies in receivership is extremely small, they report. They make an exception in the case of natural gas companies whose mushroom growth produced financial trouble and suggest assets of such companies should be regarded as depletion type assets rather than as utilities.

They conclude their study as follows: "Companies making and selling gas play a vitally significant rôle in our industrial and commercial life, and will no doubt continue to play an increasingly important part for some time to come."

Power Output At New High

Production of electrical energy by central power stations in Canada during 1935 reached the all-time record figure of 23,404 million kw.h., an increase of 10.6 per cent over the record output of the previous year.

One of the principal causes of this excellent showing was the record production of newsprint paper. Sales of energy for motive power were greater and also for use in electric boilers, the latter providing a big market for off-peak and secondary power.

Export demands showed an improvement, while industrial, domestic and commercial needs also were on a scale greater than has prevailed for some time previously.

Trend of production in the five main economic areas follows:

(Thousands of Kilowatt Hours)

	1935	1934
Maritimes	777,356	769,676
Quebec	12,562,317	11,356,194
Ontario	6,856,946	6,095,758
Prairies	1,681,520	1,502,817
B. C.	1,526,269	1,435,085
Canada	23,404,408	21,159,530

'Phone Traffic Moves Ahead

Decline Checked — Facilities to Handle Larger Volume

Operating experiences of the Canadian telephone companies across the Dominion have been much alike in recent months; a gradual increase in the number of the telephone installations and a greater use of long distance facilities.

From 1930 to the middle of 1934 telephone companies reported a steady decline in the number of stations installed and revenues. During the latter part of 1934 the decline was halted and the returns for the full year were more encouraging than they had been for some time.

Decline is Checked

Last year opened up well, but another decline set in. However, this was checked and in the closing months of 1935 operators right across the Dominion reported installations greater than take-outs, while long distance toll traffic was advanced sharply.

Since the beginning of 1936 this condition continued and prospects are that the telephone industry will enjoy one of the best years since 1930.

Equipment in Place

In considering the earnings outlook for the telephone companies one fact stands out; the operators will be able to take care of a much larger volume of business with little or no capital expenditure.

During the boom years it was necessary to extend facilities on a very broad scale to take care of anticipated future demands. Unfortunately these demands did not materialize and the companies had left on their hands a large amount of modern equipment far beyond that required during the low point of the depression.

While the pick-up of the past 18 months has taken up part of the slack, the companies are still able to handle a much larger amount of business without adding to facilities.

Should Help Earnings

The lack of any major capital expenditures for the immediate future means that earnings in relation to capital invested should record a marked increase.

This situation is set forth by an analysis prepared by C. F. Sise, president of the Bell Telephone Co. of Canada. The peak year of revenue for the Bell Telephone was reached in 1930 when income totalled $41.3 millions. Last year revenues had recovered to $36.3 millions. Local service revenues are down approximately 10 per cent from the peak, while long distance revenues are down about 26 per cent. Thus it is apparent with the equipment installed and in use in 1930 the company can still handle a much larger volume of business than was reported for 1935 without adding materially to capital expenditures.

A similar situation exists for telephone companies in other parts of the Dominion. Their programme of expansion in the last boom period was modelled along the lines of the Bell Telephone.

Cut Interest Charges

Another major factor to consider in relation to the telephone companies, especially from the investment angle, is the increased equity earnings for common stocks.

With the exception of the Bell Telephone, which is prohibited from refunding its bonded debt until at least 1940, most of the other companies have taken advantage of the cheap money market to refund their old bond issues at a lower rate of interest.

This has brought about a substantial saving of interest charges and made available a larger percentage of revenues for distribution to the capital stock holders.

New Installations Limited

Only two major installations were undertaken by the water power industry during 1935, namely, additions to existing developments at the Abitibi Canyon plant of the Ontario Hydro and the Beauharnois plant on the St. Lawrence.

Montreal Power

Major Refunding Operation Brings About Sharp Reduction in Funded Debt — Current Operations Expand

Major refunding operations featured developments in connection with Montreal Light, Heat and Power Consolidated over the past twelve months. At the same time operations expanded and earnings were well maintained.

During 1935 Montreal Power retired $15.2 millions of mortgage debt, made up of $11,885,000 of its own bonds; $2,968,000 of Montreal Public Service Corp. bonds; $306,000 of Cedar Rapids Manufacturing and Power bonds and $51,000 of Provincial Light, Heat and Power bonds.

In order to effect these retirements several changes are noted in the company's investments. Holdings of Dominion and Provincial Government and Quebec municipal bonds dropped from $19.3 millions to $10.3 millions. Cash on hand declined about $500,000 while there was a slight decrease in the general investment account. Since the turn of the year, the company has called in the balance of its first refunding and collateral trust bonds, due 1951, and amounting to $27.6 millions.

Consolidate Funded Debt

This transaction is being financed in part through the issuance of $10 millions of 3½ per cent first mortgage and collateral trust bonds and $5 millions of 2½ per cent five-year serial bonds.

The redemption of the 5 per cent bonds on April 1 will require $28,719,600. Proceeds from the two bond issues would give the company somewhat less than $14 millions, so that it will be necessary to draw upon the treasury for $14 millions or more.

Consequent upon the refunding operations, Montreal Power has reduced its mortgage and collateral trust bonds to the nominal figure of only $15 millions. This represents a net reduction of around $25 millions and a very considerable saving in interest charges.

Earnings Hold Up

Last year the company earned $1.72 a share on its outstanding common stock compared with $1.78 in the preceding twelve months. The output of primary power totalled 1,429 million kw.h. distributed to 266,662 customers, as against 1,416 million kw.h. taken up by 265,534 customers in 1934.

The increase in power load, while helpful, was not of sufficient size to offset the lower rate put into effect by the company at the beginning of the year.

Revenues from gas sales were lower in 1935, reflecting a decline in output from 5,390 million cubic feet in 1934 to 5,156 million cubic feet in 1935.

Detail Sources of Income

From all sources the revenue of Montreal Power in 1935 amounted to just over $24 millions, a decline of about $250,000 from the previous year. Considering the lower trend of interest rates on investments and the reduction in domestic power rates, this showing is considered as a very satisfactory one.

For the first time the company has detailed sources of income. A special statement shows that of the total income, $21.1 millions was derived from operations and $2.9 millions from investments and other non-operating sources.

Details of income are set forth hereunder:

	$
Electric Revenue:	
Domestic	3,477,488
Commercial	3,831,807
Industrial	6,021,705
Export	673,693
Secondary power	361,561
Municipal:	
Aqueduct	367,797
Street lighting (15 municipalities)	587,562
Wholesale	226,638
Gas Revenue:	
Domestic	3,950,759
Industrial	1,141,354
Other operating revenue	496,600
Total operating revenue	21,136,970
Non-operating revenue	2,963,540

Current Operations Better

Since the beginning of the current year, interim statements issued by the company indicate a continued growth in power sales, while the gas division, for the first time in many months, has shown a slight gain in output. With a continued upward trend in operations, and a sharp decline in interest charges, it is anticipated that the financial statement for 1936 will show improved earnings on the common stock.

Capitalization— Authorized Outstanding
Com., n.p.v. .. 10,000,000 sh. 4,489,004 sh.

Funded Debt—
1st mtge. and coll. trust 3½% due 1956, outstanding $10,000,000; 2½% series, due serially 1937-41, $5,000,000.
Convert. debs., 3%, due 1939, $26,823,550.

Dividend Record—
Common—$1.50 per share per annum, payable quarterly, on the last days of Jan., April, July and Oct.

Head Office—Montreal.

Officers and Directors—
Officers—Sir Herbert S. Holt, chm.; J. S. Norris, pres.; G. H. Montgomery, vice-pres.; C. S. Bagg, vice-pres. and gen. mgr.; S. Godin, Jr., vice-pres.; G. R. Whatley, sec.; C. C. Parkes, asst. sec.; P. C. Drake, treas.; A. N. Sainte-Marie, asst. treas.
Directors—J. E. Aldred, New York; G. Caverhill, S. Godin, Jr., Sir Charles B. Gordon, Sir Herbert S. Holt, J. C. Smith, J. S. Norris, J. W. McConnell, G. H. Montgomery, T. B. Macaulay, Hon. J. M. Wilson, Hon. J. P. B. Casgrain, Montreal.

Earnings per Share and Dividend Record:

	1935	1934	1933
Com: Earned	$1.75	$1.78	$1.80
Paid	1.50	1.50	1.50

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com.	36¾	26¾	39½	26¾	42¼	26⅛

QUEBEC-NEW ENGLAND HYDRO
(Wholly owned by Montreal Light, Heat & Power Consolidated)

Capitalization—
Authorized and issued, $350,500.
All owned by Montreal Light, Heat & Power Consolidated.

Officers and Directors—
Officers — J. S. Norris, pres.; C. S. Bagg, vice-pres.; G. R. Whatley, sec.-treas.
Directors — J. S. Norris, C. S. Bagg, G. R. Whatley, G. H. Montgomery, S. Godin, Jr.

MONTREAL LIGHT HEAT & POWER
(Controlled by Montreal Light Heat & Power Consolidated)

Capitalization— Authorized Outstanding
Com., par $100.. $22,000,000 $18,800,000
Over 99 per cent of this stock owned by Montreal Light Heat & Power Consolidated.

Dividend Record—
Eight per cent per annum payable quarterly on the 15th Feb., May, Aug. and Nov.

Head Office—Montreal.

Directors and Officers—Same as Montreal Light Heat & Power Consolidated, with the exception of J. W. McConnell and Hon. J. M. Wilson who are not on the board of this company.

PROVINCIAL LIGHT & HEAT
(Controlled by Montreal Light Heat & Power Co.)

Capitalization— Authorized Outstanding
Com., par $100.. $500,000 $500,000
Over 99 per cent held by Montreal Light Heat & Power Co.

Funded Debt—
First mortgage 5 per cent bonds, due 1946; outstanding $769,000.

Head Office—Montreal.

Officers and Directors—
Officers—Same as Montreal L. H. & P. Company.
Directors—Sir Herbert S. Holt, J. S. Norris, S. Godin, Jr., G. H. Montgomery, all of Montreal; J. E. Aldred, New York

CEDAR RAPIDS MANUFACTURING
(Controlled by Montreal Light Heat & Power Consolidated)

Capitalization— Authorized Outstanding
Com., par $100.. $10,000,000 $8,900,000
Over 99 per cent of the stock is held by the Montreal Light Heat & Power Consolidated.

Funded Debt—
First mortgage 5 per cent bonds, due 1953, outstanding $13,418,400.

Dividend Record—
Three per cent per annum payable quarterly, on the 15th of Feb., May, Aug. and Nov., on all unexchanged stock. Paid regularly.

Head Office—Montreal.

Officers and Directors—
Officers — J. S. Norris, pres.; G. H. Montgomery, vice-pres.; C. S. Bagg, vice-pres. and gen. mgr.; G. R. Whatley, sec.; C. C. Parkes, asst. sec.; P. C. Drake, treas.; A. N. Sainte-Marie, asst. treas.
Directors—J. E. Aldred, New York; J. S. Norris, Sir Herbert S. Holt, G. H. Montgomery, J. W. McConnell, Montreal.

N. S. Light

All-round Improvement Recorded — Purchase New Properties

Additional financing, expansion of properties and further gain in operations, are features of Nova Scotia Light and Power Co.'s activities during the past year. The financial statement for 1935 will not make its appearance until sometime toward the end of next May. Meanwhile preliminary indications are that operations of the power and light department, tramways and gas divisions have been on a somewhat larger scale than recorded in the previous twelve months. This is expected to be reflected in a moderate increase in revenues.

Last November, Nova Scotia Power made an offering at par to its shareholders of $465,700 six per cent preference stock, in the ratio of one new share for each ten shares held. Issuance of this stock was approved by the Nova Scotia Board of Public Utilities and proceeds will be used by the company to cover capital expenditures which have already been incurred.

Buy New Properties

During the same month, it was announced that the company, which already occupies a dominant position in the Nova Scotia utility field, had purchased the Nova Scotia properties of Associated Gas and Electric Co.

The electrical systems acquired from Associated Gas, through its subsidiary, New England Gas and Electric Co., are the Annapolis Valley Electric Co., valued at $300,000; Western Nova Scotia Electric Co., Lunenberg Gas Co., and the Milton Hydro-Electric Co.

These properties, in the main, are relatively small, but fit in with the Nova Scotia Power system.

Cover All Charges

At present Nova Scotia Power supplies utility services in the Halifax and Dartmouth areas, and, through stock ownership, controls a number of other utilities in the province, notably the Avon River Power Co., Chester Light and Power Co., Barrington Electric Co., etc. While the business depression has had its effect upon earnings of the company, revenues have stood up well, and the dividends on the preference and common stocks were earned by a comfortable margin.

Capitalization— Authorized Outstanding
Com., n.p.v. ... 50,000 shs. 34,523 shs.
Pref., par $100 . $5,000,000 $1,250,000

Funded Debt—
1st mtge. 5% series A bonds, due 1958, outstanding $4,281,500.

Dividend Record—
Preference—6 per cent per share per annum, payable quarterly, March, June, Sept. and Dec. 1.
Common—$3 per share per annum, payable quarterly, Jan., April, July and Oct. 1. Initial dividend at this rate paid July 3, 1933.

Head Office—Halifax.

Officers and Directors—
Officers—J. C. MacKeen, pres.; J. McG. Stewart, vice-pres.; J. B. Hayes, mgr.; C. J. Hayes, sec.; A. W. Wentzell, treas.
Directors—Hon. W. H. Covert, H. E. Mahon, J. McG. Stewart, J. C. MacKeen, G. MacG. Mitchell, Halifax; Denis Stairs, Montreal; R. J. Macadam, P. R. Jack, A. H. Whitman, Halifax.

Times Bond Interest† Earned—

Years End. Dec. 31:	1934	1933	1932
Before deprec. & after other int.	2.71	2.50	2.35
After deprec. & other int.	2.08	1.91	1.81

†And U. S. premium paid.

Earnings per Share and Dividend Record—

Pref.: Earn.	$18.56	$16.88	$15.96
Paid	6.00	6.00	6.00
Com.: Earn.	4.55	3.94	3.61
Paid	3.00	3.25	4.00

Market Record—

	1935 High	1935 Low
Common	57	57

Avon River Power

Further Financing Carried Out by Nova Scotia Utility Last Year

Avon River Power Co., subsidiary of Nova Scotia Light and Power Co., has not reported any material change in its operations or earnings in the last two or three years.

This company's operations are centred in the Annapolis Valley and surrounding districts, power being distributed and retailed in Windsor, Middleton, Aylesford and a number of other towns and villages in the rural districts and sold in bulk to the towns of Oakville, Kentville, Hantsport, Berwick, Canning. In addition the company supplies a substantial amount of electric power to the parent concern.

Last summer the company sold $750,000 of 5 per cent first mortgage sinking fund bonds. The proceeds of this issue, which is payable in Canadian funds as to principal and interest, will be used to compensate the company for capital expenditures already incurred.

Capitalization— Authorized Outstanding
Pref., par $100 .. $200,000 $200,000
Com., par $100 .. 300,000 225,000
Common all owned by Nova Scotia Light & Power Co.

Funded Debt—
1st mtge. sinking fund 5½ per cent bonds, series A, due 1956, $649,000; series B, due 1957, $193,400; series C, due 1958, $111,500; 5 per cent series D, due 1964, $750,000.

Dividend Record—
Preferred—None paid since 1927.

Head Office—Windsor, N.S.

Officers and Directors—
Officers—J. C. MacKeen, pres.; J. McG. Stewart, vice-pres.; T. B. Akin, sec.
Directors—Same as parent company.

Shawinigan

Record Power Sales Boost Earnings and Enable Increase in Dividend — New Bond Issue Saves on Interest

A general all-round improvement in operations, earnings, and finances is reported by Shawinigan Water & Power Co. over the past year.

One feature of the company's affairs was the recent public offering of a refunding issue of $17 millions of 4 per cent 25 per cent first mortgage and collateral trust bonds. With the proceeds of this issue the company will retire all of its outstanding series C 5 per cent bonds. The new issue is payable in Canadian funds only, whereas all former bond issues have been payable in American and Canadian funds, as well as in sterling. Aside from the premium paid on foreign exchange, the interest has run into large figures.

Another financial operation carried out by the company over the past year was the retirement of over $4 millions of 6 per cent notes through short-term loans arranged through the banks. These loans are payable at the rate of $1 million yearly and are now outstanding to the extent of $2 millions. Consequent upon this transaction, the funded debt of the company was reduced from $88.1 millions to $86.4 millions.

Earnings Show Increase

Earnings of the company last year totalled over $13 millions, an increase of about $500,000 over that reported for the previous year. The increase in operations added to expenses, but after allowing the usual appropriation of $1 million for depreciation, the balance available for distribution on the common stock was around $1.17 a share as against $1.09 a share in 1934. Consequent upon the improvement in income, directors increased dividends on the common stock from 50 to 60 cents a share. A larger payment could have been made, but the management are following the policy of building cash reserves to take care of expansion.

Sales Set Record

Power sales by Shawinigan during 1935 placed the company in the position of being one of the largest power enterprises in the world. Total sales were in excess of 5,300 million kw.h., as compared with 4,508 million kw.h. in 1934. A large part of the increased output came from the company's own new development at Rapid Blanc on the upper St. Maurice River. In addition Shawinigan followed its usual custom of purchasing power from Saguenay Power Co., Southern Canada Power, and of late, repurchasing power sold to Montreal Power. In addition to contract purchases, the company bought over 800 million kw.h. of energy for sale as secondary power.

Retail sales were well maintained last year, but rate reductions at various points of the company's system were reflected in earnings. On the whole, however, income from operations last year was the best in some years and reached around $11.7 millions.

Subsidiaries Hold Own

Non-operating revenues last year were about the same as in 1934, when they totalled over $1.5 millions. This was due to the fact that some of the companies in which Shawinigan has a stock interest paid smaller dividends during the year.

One of the principal subsidiary operations of Shawinigan is carried on through Shawinigan Chemicals. This unit had a good year in 1935 and it is expected that earnings of the chemical company will show a further increase during 1936.

Debt Discount Arranged

In connection with the company's debt, the directors decided in 1935 on a policy in regard to the discount. Over a period of a number of years the company has issued several millions of bonds. The cost of this financing has been carried in the power development account. Now it has been decided to segregate this item and appropriate funds from the profit and loss account balance to wipe out the charge. The discount up to 1935 was just over $5 millions and against this item a reserve of more than $2 millions has been established, leaving around $3 to be amortised over the life of the bonds.

Despite the reduction in debt and a moderate increase in dividend payments, working capital was well maintained during 1935.

Capitalization— Authorized Outstanding
Com., $2.50.. 2,600,000 sh. 2,178,250 sh.
No par value.

Funded Debt—
1st mtge. and collateral trust bonds outstanding:
Series A, 4½%, due 1967 .... $34,286,000
Series B, 4½%, due 1968 15,867,000
Series C, 5%, due 1970† 14,960,000
Series D, 4½%, due 1970 18,938,000
Series F, 4%, due 1961 .... ▲17,000,000
†To be redeemed Apr. 15, 1936.
▲Created in March, 1936. Of the $29,996,500 Series "F" bonds $17,000,000 will be used for the redemption of the Series "C" bonds. $2,500,000 deposited as collateral security for $2,000,000 short term notes, $400,000 deposited with the Province of Quebec, and the remaining $10,096,500 held by the trustee for the use of the company.

Dividend Record—
Common—Present rate 60 cents per share per annum, payable quarterly Feb., May, Aug. and Nov. 15. Initial quarterly dividend at present rate paid Feb. 15, 1936. Former rate 50 cents per share.

Head Office—Montreal.

Officers — J. E. Aldred, chm.; J. C. Smith, pres.; H. Murray, vice-pres.; W. S. Hart, vice-pres. and treas.; J. Wilson, vice-pres. and sec.; P. S. Gregory, asst. gen. mgr.; H. G. Budden, asst. treas.; J. S. Riddle, asst. sec.
Directors—J. E. Aldred, J. A. Walls, New York; H. Murray, Sir Herbert S. Holt, J. C. Smith, W. S. Hart, Beaudry Leman, G. W. MacDougall, G. H. Duggan, J. Wilson, Lt. Col. H. Molson, Montreal; A. E. Dyment, Toronto; Col. G. P. Murphy, Ottawa, Ont.; J. H. Fortier, Quebec, P.Q.

Times Fixed Charges Earned:

	1935	1934	1933
Before deprec.	1.92	1.82	1.72
After deprec.	1.66	1.57	1.45

Earn. per Share and Div. Record:

Common: Earned	$1.17	$1.09	$0.85
Paid	0.52½	0.50	0.50

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com.	23	14⅞	24½	15¼	22¼	9¾

Shawinigan Falls Terminal Rly. Co.
(Wholly-owned by the Shawinigan Water & Power Co.)

Capitalization— Authorized Outstanding
Com., par $100... $300,000 $300,000
Entire stock issue owned by Shawinigan Water & Power Co.

Funded Debt—
First mtge. bonds, 5 per cent, due 1957, outstanding $106,687. The Shawinigan Water & Power Co. owns all the bonds.

Head Office—Montreal.

Officers and Directors—
Officers—J. C. Smith, pres.; W. S. Hart, vice-pres.; W. A. Stitt, sec.; J. Wilson, treas., Montreal; B. G. Wood, gen. supt., Shawinigan Falls, Que.
Directors—J. C. Smith, W. S. Hart, H. Murray, J. Wilson, J. Morse, H. G. Budden, Montreal.

Eastern Light

Cape Breton Enterprise Holds Position — Bonds Sold to Public

Eastern Light and Power Co. has not issued a financial statement since it carried out public financing in early part of 1935. At that time the company sold $600,000 of first mortgage bonds, proceeds being used to defray the cost of acquisition of the old Cape Breton Electric Co.

At the end of 1934 Eastern Light served nearly 8,000 customers. Energy is purchased under contract from the Seaboard Power Co., a subsidiary of Dominion Steel and Coal Corp., and in addition, the company has a steam stand-by plant at Sydney. The company owns and operates around 30 miles of high-tension line with a distribution line system of an additional 87 miles.

Net earnings available for interest and depreciation have averaged around $100,000 annually in the last two or three years.

Capitalization— Authorized Issued
Com., par $100 .... $1,000,000 $70,000

Funded Debt—
1st mtge. 5 per cent, S. F. bonds, due 1964, issued $600,000.

Officers and Directors—
W. S. Thompson, pres., North Sydney, N.S.; Hon. M. Dwyer, Sydney Mines; M. R. Chappell, Sydney; D. C. Sinclair, New Glasgow, J. H. Winfield, Halifax; G. G. Spencer, sec.

Earnings—

	Gross Earnings $	Oper. Expenses $	Available for int. & deprec. $
1932	327,780	247,907	79,873
1933	327,030	226,670	100,360
1934	339,092	238,453	100,638

Quebec Takes Lead

Average net revenue per large power customer received by Quebec central stations in 1934 totalled $29,905. This is almost twice as great as that reported by the Nova Scotia stations, which had an average net revenue of $16,069. Ontario followed New Brunswick with an average revenue of only $9,216.

Montreal Island

Position Is Unchanged — Preferred Holders Are Frozen Out

Montreal Island Power Co., controlled by Montreal Light, Heat and Power Cons., reports net income for 1935 on the same basis as in 1934. After payment of fixed charges, surplus was transferred to depreciation reserve.

Over the past few years this company has had considerable difficulty with lawsuits and flood damage. In 1929, the company built a dam on the Back River at St. Vincent de Paul. The water level was to rise for only a short distance—about three miles. Before construction of the dam, all proprietors along the water front had their lands expropriated. Above the three mile mark, the water level is so high during certain seasons of the year, that the river is beyond control and floods a number of properties. This has resulted in many lawsuits entered by property owners, the majority of which have been settled.

Preferred Left Out

The position of the preferred shareholders of Montreal Island Power continues unchanged. At the time the company was financed in 1927, bonds and preference stock were sold to the public to the extent of $8 millions of the former and $7 millions of the latter. The funded debt has since been increased to $10 millions. The original intention was to install ten units, the full output of which was contracted for by Montreal Power. On the basis of the installation of ten units, it was estimated that income would be sufficient to cover bond interest and preferred dividends. While the plant has been constructed, only six units have been installed. Present interests in control claim that the amount of water available does not permit the economic installation of further units, despite the fact that the original prospectus on which the securities were sold to the public said there would be sufficient water to permit operation of ten units.

As the situation now stands, there is little or no hope of the preferred shareholders ever receiving anything in the way of preferred dividends, while even the safety of principal is questioned.

Capitalization— Authorized Outstanding
Common, n.p.v. 100,000 shs. 75,000 shs.
Pref., par $100 ... $1,000,000 $1,000,000

Funded Debt—
1st mtge. 5½% bonds, series A, due 1957, outstanding $9,250,000.
Montreal Light, Heat & Power Cons. owns a majority of the first mortgage bonds and the common stock.

Dividend Record—
Preferred—Entitled to $6 per annum, cumulative from Jan. 1, 1928, and payable quarterly Jan., Apr., July and Oct. 1. No dividends have been declared as yet. In arrears $48 a share as at Jan. 1, 1936.
Common—None paid.

Head Office—Montreal.

Officers and Directors—
Officers—J. S. Norris, pres.; G. H. Montgomery, vice-pres.; C. S. Bagg, vice-pres.; G. R. Whatley, sec.; C. C. Parkes, asst. sec.; P. C. Drake, treas.; A. N. Sainte-Marie, asst. treas.
Directors—Sir Herbert S. Holt, G. Caverhill, J. S. Norris, G. H. Montgomery, S. Godin, Jr., J. C. Smith, Hon. J. M. Wilson, all of Montreal.

Times Fixed Charges Earned:

	1935	1934	1933
Before deprec.	1.22	1.21	1.15

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Common	*1.30	*1.00	4	3½	4	4

*Odd lot.

Cities Heating Co.

The Cities Heating Company, a privately owned company at London, Ontario, produces and sells steam heat for heating and power purposes.

Public investment is confined to the six per cent mortgage bonds.

Capitalization— Authorized Issued
Pref., par $100 .... $100,000 $100,000
Com., n.p.v. ..... 3,000 shs. 3,000 shs.

Funded Debt—
1st mtge. 6 per cent bonds, due 1948, issued $151,000.

Head Office—London, Ont.

Officers and Directors—
W. E. Greene, pres.; J. S. Moore, vice-pres.; A. W. White, D. B. Weldon, C. W. Morris, S. D. Swift, (Miss) E. M. Woodward, treas.

Domestic Rate Declines

Average revenue per kw.h. for domestic service continued to decrease for the Dominion as a whole though some of the provinces record increases.

Nfld. Power

Interest Charges Reduced by Financing at Lower Cost

Newfoundland Light and Power Co., subsidiary of International Power Co., carried out a refunding operation last December which will automatically bring about a betterment in interest charges. The company sold an issue of $1.4 millions of 4½ per cent first mortgage bonds, proceeds of which were used to redeem $1,273,000 of 6½ per cent first mortgage bonds.

Newfoundland Power is the principal power utility on the island and over a period of years has built up a well-established earning power. In the last four years gross revenue has advanced steadily from $532,836 in 1931 to $577,953 in 1934. The amount available for bond interest and depreciation has followed the same trend and totalled $343,780 in 1934.

In addition to interest on its funded debt, the company has paid regular dividends on its common stock.

NEWFOUNDLAND LIGHT & POWER
(Controlled by International Power)

Capitalization— Authorized Outstanding
Common $2,000,000 *$1,500,000
*Over 95 per cent held by parent company.

Funded Debt—
1st mtge. 4½ per cent bonds, due 1956, outstanding $1,400,000; 5½ per cent series B, due 1971, outstanding $771,000; 7 per cent mtge. debs., due 1949, outstanding $456,500.

Dividend Record—
Initial dividend of 2 per cent paid in 1926; in 1927, 3 per cent; and in 1928, 1929, 1930 and 1931, 4 per cent. Not published since. In 1934 dividend paid at rate of 6 per cent per annum.

Executive Office—Montreal.

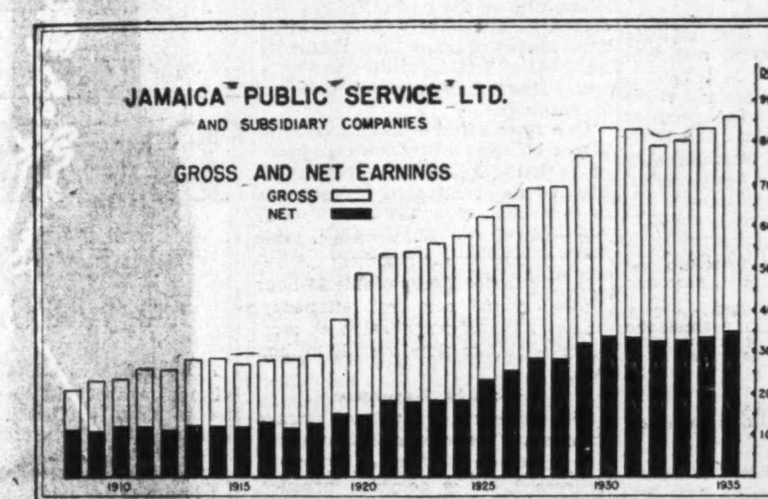
Officers and Directors—
Officers—I. W. Killam, pres.; F. C. Clarke, sec.
Directors—I. W. Killam, Denis Stairs, F. C. Clarke, Montreal; Sir Marmaduke Winter, C. A. C. Bruce, Hon. W. S. Monroe, Hon. S. Milley, C. E. Hunt, St. John's, Newfoundland.

Earnings—

Years end. Dec. 31:	1934 $	1933 $
Gross earnings	577,593	557,893
Oper. exp. & taxes	233,813	220,390
Bal. before int. & depr.	343,780	337,503
No. of customers	8,247	8,218

GROWTH and STABILITY

JAMAICA, B.W.I.



The Upward Trend of This Utility's Business Is Shown in the Following Table:

Year	Gross Earnings	Net Earnings	Year	Gross Earnings	Net Earnings
1910	240,066	122,637	1931	829,598	336,273
1915	274,317	123,540	1932	790,917	325,668
1920	490,180	151,288	1933	802,259	327,108
1925	625,275	236,114	1934	829,752	335,935
1930	833,853	339,300	1935	859,397	350,575

The above figures converted from £ Sterling at the rate of $4.86-2/3 to the £1

CONSOLIDATED CAPITALIZATION
Outstanding in the Hands of the Public, Dec. 31, 1935

DEBENTURE STOCK:
Jamaica Public Service Co., Ltd.
Series "C" 4½'s (£420,000) $2,044,000

PREFERENCE SHARES:
Jamaica Public Service Co., Ltd.
Preference 7% Cumulative 449,700
Preference "B" 7% Cumulative (£1 each) 314,191

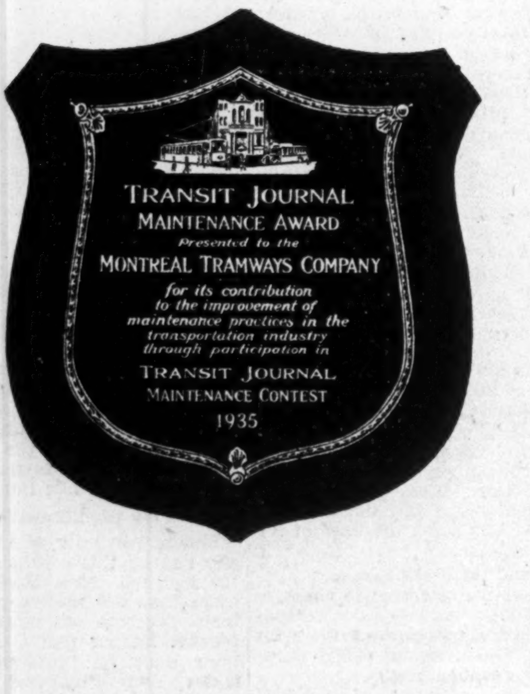
CAPITAL STOCK:
Jamaica Public Service Ltd.
No Par Value .... 45,000 shares

Jamaica Public Service Limited, a Canadian company, owns all of the Ordinary and certain of the Preference shares of Jamaica Public Service Company, Limited.

Jamaica Public Service Company, Limited does the entire electric lighting and power business in Kingston and adjacent territory, and also operates the electric tramway system supplemented by buses. Kingston is a growing seaport and principal city on the Island. Through a wholly owned subsidiary this company provides the entire electric lighting and power and ice business in Montego Bay and Port Antonio, which communities rank next to Kingston in size and importance. Combined population served by both operating companies is estimated at 140,000. Gross earnings for 1935 were derived 70% from electric, 26% from transportation and 4% from ice business.

Dividends on both classes of Jamaica Public Service Company, Limited 7% Preference shares have been paid regularly since their issuance. Dividends at the annual rate of $1.00 per share were inaugurated on the capital stock of the Canadian Company on October 1, 1930, and beginning October 1, 1935, have been paid at the annual rate of $1.50 per share.

Jamaica Public Service Limited
and Subsidiary Companies
Serving
KINGSTON MONTEGO BAY PORT ANTONIO


TRANSIT JOURNAL
MAINTENANCE AWARD
Presented to the
MONTREAL TRAMWAYS COMPANY
for its contribution to the improvement of maintenance practices in the transportation industry through participation in
TRANSIT JOURNAL
MAINTENANCE CONTEST
1935

THE maintenance of efficient operation, consistent development in the improvement of its property, as well as the extension of facilities and services to meet the increasing needs of an expanding metropolis are evidenced by the award to the Montreal Tramways Company of first place in the Transit Journal's Maintenance Contest for 1935, announced at the 54th Annual Convention of the American Transit Association.

This prize, open to all street car companies in the United States and Canada, is awarded for the efficiency with which transit maintenance work is carried out, freedom from service breakdowns, contributions to the development of methods of transit maintenance, and the adoption of new practices, devices, etc.

Such independent judgment is evidence of the sound policies governing the operation of the Montreal Tramways Company and emphasizes the important position this Company holds among civic transportation enterprises of North America.

MONTREAL TRAMWAYS COMPANY

Ottawa Power

Earnings Record Small Change — Assets Are Reappraised

Little change has taken place in the position of Ottawa Light, Heat and Power Co., both gross and net earnings over the past year being about the same as in the preceding twelve months. In the last three years there has been a small book deficit after paying common dividends, due more to the increase in depreciation reserve than to the falling off of earnings.

Last year the company carried out an appraisal of its plant and properties and an adjustment was made at the end of 1935 in the replacement value of the assets. In order to effect this adjustment, the capital reserve of $1.5 millions, which appeared on the 1934 balance sheet, and the reserve for depreciation at the end of 1935, were applied against the book value of the physical assets. This brought the depreciated value of assets down to $7.8 millions, while franchises, rights and contracts were shown on the books at nearly $1.8 millions.

Capitalization—	Authorized	Outstanding
Common 6% ...	$10,000,000	$3,500,000
Preferred 6½% Par $100.		$1,500,000

Funded Debt—
Refunding mortgage 5 per cent bonds, series A, due 1957, outstanding $4,712,500.

Dividend Record—
Preferred—6½ per cent cumulative per annum, payable Jan. 2, April, July and Oct. 1. Initial payment of 1⅝ per cent paid Jan. 1, 1924, and regularly since. Common—6 per cent per annum, payable last day of Dec., March, June and Sept. Paid regularly.

Head Office—Ottawa.

Officers and Directors—

Officers—Hon. T. Ahearn, pres.; F. E. Bronson vice-pres.; W. H. Munro, gen. mgr.; H. I. Anscombe, treas.; F. W. Fee, sec.

Directors—Hon. T. Ahearn, F. E. Bronson, T. Workman, G. F. Henderson, T. F. Ahearn, L. N. Poulin, Redmond Quain, Ottawa; W. C. Pitfield, P. R. Walters, H. MacKay, Montreal.

Years End. Dec. 31:	1935	1934	1933
Times Bond Int. Earned:			
Before deprec. ...	3.04	2.96	2.61
After deprec.	2.34	2.25	1.98
Earnings per Share and Dividend Record:			
Pref.: Earned ...	$19.79	$18.37	$15.50
Paid	6.50	6.50	6.50
Com.: Earned ...	5.69	5.09	3.86
Paid	6.00	6.00	6.00

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. .	89⅛	74	92	75	92	80
Pref. .	111	100	104	90	97	84

OTTAWA ELECTRIC
(Controlled by Ottawa Light, Heat & Power Co.)

Capitalization—	Authorized	Outstanding
Com. par $100 ..	$3,000,000	$3,000,000

Entirely held by Ottawa Light, Heat and Power Co., with the exception of directors' qualifying shares, as part security for bonds of parent company.

Funded Debt—
General and refunding bonds, 5 per cent, due 1957 (not in hands of public) issued $4,669,479, all deposited as security for Ottawa Light, Heat & Power Co. refunding bonds.

Head Office—Ottawa.

Officers and Directors—

Officers—Hon. T. Ahearn, pres.; F. E. Bronson, vice-pres.; W. H. Munro, gen. mgr.; F. W. Fee, sec.; H. I. Anscombe, treas.

Directors — Hon. T. Ahearn; T. F. Ahearn, F. E. Bronson, G. F. Henderson, Hon. H. H. Horsey, all of Ottawa; W. C. Pitfield, H. W. Soper, Montreal; N. M. Scott, Toronto.

OTTAWA GAS
(Controlled by Ottawa Light, Heat & Power Co.)

Capitalization—	Authorized	Outstanding
Com., par $100 ..	$2,000,000	$2,000,000

All deposited as security for Ottawa Light, Heat and Power Co., Ltd., refunding bonds, except directors' qualifying shares.

Funded Debt—
General and refunding bonds 5 per cent, due 1957 (not in hands of public) issued $1,266,821. All these bonds are deposited as security for Ottawa Light, Heat & Power Co., Ltd., refunding bonds.

Head Office—Ottawa.

Officers and Directors—

Officers—Hon. T. Ahearn, pres.; F. E. Bronson, vice-pres.; W. H. Munro, gen. mgr.; F. W. Fee, sec.; H. I. Anscombe, treas.

Directors—Hon. T. Ahearn, F. E. Bronson, G. F. Henderson, J. R. Allan, Col. G. P. Murphy, W. L. Reid, A. E. Provost, all of Ottawa.

Hydro Securities

Lowenstein Enterprise Coping With Problems of Investment

Hydro-Electric Securities Corp.'s financial statement for 1935 will make its appearance shortly. Judged by the experience of other holding companies in the same field, some improvement is expected. During 1934 the company showed a net income of $559,360, which was sufficient to cover a preference dividend of $415,087.

The financial statement of the company for 1934 showed a drop in assets from $26.1 millions to $18 millions, owing to a write-down of $8.1 millions in investments. Securities in the investment portfolio at that time had a book value of $15.2 millions and a market value of $10 millions.

Take in Gold Stocks

Because of the very unsatisfactory situation in the utility industry in the United States, in which the company has a large proportion of its funds invested, the company during 1934 made an investment in the gold mining industry. This investment, representing approximately six per cent of the company's total assets, was made for revenue purposes and "is intended to be of a temporary character."

While stock of the company is listed on a number of stock exchanges, there is relatively little Canadian interest. The company was established by the late Alfred Lowenstein, and there is a heavy Belgian and English interest in the enterprise.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	2,000,000 sh.	1,476,393 sh.
Pref. A, par $100	$30,000,000	....
Pref. B, par $10	10,062,000	$8,062,890

Dividend Record—
Class B Preferred—5 per cent per annum, cumulative, payable half-yearly, February and August, 1. Initial dividend of 2½ per cent paid Feb. 1, 1923, and regularly since.
Common—None at present. Last payment, 10c. a share, March 31, 1932.

Head Office—Montreal.

Officers and Directors—

Officers — Frank B. Common, pres.; C. L. Fisher, vice-pres.; A. H. Lang, sec.

Directors—G. H. Montgomery, Frank B. Common, Hon. G. W. Scott, Montreal; C. L. Fisher, Major Albert Pam, London, Eng.; Count Eugene de Hemricourt de Grunne, Count Roger van der Straten-Ponthoz, Brussels.

Earnings per Share and Dividend Record:

	1934	1933	1932
Class B Pref.:			
Earned†	$0.69	$0.80	$0.96
Earned‡	0.69	0.80	0.96
Paid	0.50	0.50	0.50
Common:			
Earned†	0.10	0.15	0.30
Earned‡	0.10	0.15	0.30
Paid	...	...	0.10

†Based on ordinary income.
‡Based on ordinary and extraordinary income.

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	5¼	3	8	4	10	5½

Saguenay Power

Former Duke-Price Power Plans Refunding Operation at Lower Interest Rate — Price Contract Still Unsettled

Saguenay Power, formerly known as the Duke-Price Power Co., reported a moderate increase in both gross and net earnings during 1935 as compared with 1934. Net was equivalent to $3.19 a share as against $3.11 in the previous year. After payment of dividends of $2 a share, as against $3 a share in the previous year, an amount of $250,727 was added to earned surplus.

The principal problem of this company, namely, the validity of the Price Bros. contract for 100,000 h.p., remains unchanged. Saguenay Power has three main customers for its output, namely, Price Bros. & Co. for the amount mentioned, a similar amount to Shawinigan Water and Power Co. and practically all of the balance to the Aluminium Co.'s plant at Arvida. When Price Bros. & Co. went into bankruptcy, the contract became unenforceable. However, the company maintains that the contract is still in good standing, though a decision on this matter would have to rest with the courts.

Refunding Plans Delayed

Meanwhile the company plans on redeeming the first mortgage bonds and replacing them with an issue carrying a lower coupon rate. At present the company has outstanding $35.2 millions of first mortgage bonds and $2.1 millions of notes. On the basis of the contemplated offering of a new security carrying a coupon rate of 4 or 4½ per cent Saguenay Power would be able to effect substantial savings in interest charges on its funded debt.

A snag to the proposed refunding operations is the question of Price Bros. contract. It is likely that this matter will be cleaned up before many months, as efforts are now being made to reorganize Price Bros. & Co. Naturally there would be difficulty in marketing the new bonds in the face of the uncertainty regarding the Price Bros. contract.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	300,000 shs.	210,000 shs.

Approximately 53⅓ per cent of the capital stock is owned by the Aluminum Co. of Canada; 28 per cent by the Shawinigan Water & Power Co.; and 26⅔ per cent by Duke-Price private interests.

Funded Debt—

First mtge. 6%, due 1966	$35,269,000
Five year 6% gold notes, due 1938 (extended from 1932) ..	2,100,000

Dividend Record—
An initial dividend of $1.30 per share paid during 1932; $3 in 1934; $2 in 1935.

Head Office—Montreal.

Officers—E. K. Davis, pres.; Leighton McCarthy, J. H. Price, R. E. Powell, vice-pres.; J. H. Alger, sec.; G. O. Morgan, Jr., treas.; J. F. Van-Lane, asst. sec.; F. L. Farrell, asst. sec. and asst. treas.

Directors—J. E. Aldred, E. K. Davis, W. R. Perkins, New York; J. H. Price, Quebec; Leighton McCarthy, J. F. Van-Lane, Toronto; J. C. Smith, R. E. Powell, A. Geoffrion, Montreal.

Times Bond Interest Earned—

Years End. Dec. 31:	1935	1934	1933
Before deprec. ...	1.62	1.61	1.64
After deprec.	1.28	1.30	1.33
Earnings per Share:	$3.19	$3.11	$1.18
Paid	2.00	3.00	....

Power Supply Keeps Mounting

But There's Still Room for Much Development

At the beginning of the current year Canada's central electric stations had a turbine installation of 7,909,115 h.p., an increase of about 400,000 h.p. over the figure reported at the beginning of 1934.

While such a development places the Dominion in the front rank among the nations of the world as a power producer, the water power resources of the country are capable of still further development. A recent survey of the available 24-hour power at 80 per cent efficiency, shows Canada can develop at ordinary minimum flow over 20 million h.p.

Room for Expansion

With the construction of storage basins and other regulating works these potential figures can be further increased. It is common practice, and feasible in most developments, to install equipment with capacity considerably greater than the theoretical continuous power of the water fall and on this basis it is estimated the maximum installation capacity of the recorded water powers of Canada is 43.7 million h.p.

The amount of 24-hour power available at ordinary minimum flow, together with the present turbine installation, is set out in the following table. The figures shown are in horsepower:

	Minimum h.p. Available	H.p. Installed
P. E. I.	3,000	2,439
N. S.	20,800	116,367
N. B.	68,600	133,681
Que.	8,459,000	3,853,320
Ont.	5,330,000	2,560,155
Man.	3,309,000	392,825
Sask.	542,000	42,035
Alta.	390,000	71,597
B. C.	1,931,000	718,497
Yukon	294,000	18,199
Canada	20,347,400	7,909,115

St. Lawrence

Good Gain in Earnings Reported in Closing Months of 1935

Lower St. Lawrence Power Co. reports a gross income in the last two months of 1935 of $48,678, an increase of $6,007 over the corresponding period of 1934. After expenses and depreciation, balance available for bond and note interest was $22,924 with which to cover requirements of $7,666.

The financial statement for 1935 is expected to show a net income, available for interest charges, greater than in 1934 when it totalled $107,942. For the eight months ended August 31, net income was $70,435.

Control Changes Hands

A reorganization of this company was effected in the fall of last year when control passed from Consolidated Electric and Gas Co., of New York, into the hands of J. A. Brillant, of Rimouski, P.Q. Several series of bonds carrying high interest rates were retired and replaced by an issue of 5 per cent first mortgage bonds, reducing the company's funded indebtedness by approximately $850,000.

Power sales have not varied greatly over the past five years. During the depression the company lost about 10 per cent of its customers, but in the past year has made up a substantial part of this loss.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	20,000 shs.	20,000 shs.
Pref., par $100 ..	$800,000	$800,000

Funded Debt—
1st mtge. 5 per cent due 1955, series A, outstanding $1,400,000.
6 per cent notes, due 1937, $95,000.

Officers and Directors—

Officers—J. A. Brillant, pres. & gen. mgr.; P. E. Gagnon, sec.; Jean Duchesneau, treas.

Directors—J. A. Brillant, P. E. Gagnon, Georges Masson, all of Rimouski, Que.

Note—Other directors who resigned following the reorganization have not been replaced yet.

Head Office—Rimouski, P.Q.

Earnings—

Three Months Ended Jan. 31	1936 $	1935 $
Oper. income	72,095	65,220
Less: Oper. exps.	28,338	29,809
Net earnings	43,757	35,411
Less: Depreciation	10,618	8,590
Bond interest	17,499	17,499
Net income	15,640	9,322
Times Bond Int. Earned:		
Before depreciation ..	2.50	2.02
After depreciation ...	1.89	1.33

Saguenay Electric

Saguenay Electric, a company controlled by Saguenay Power, reports earnings in 1935 on much the same basis as in the previous year. After taking care of interest charges and depreciation, there was a deficit of $20,125, an increase of about $1,400 over 1934.

As the name of the company implies, operations are centred around the Saguenay district and there have been no developments of any particular interest in that area to warrant any marked change in either operations or earnings.

SAGUENAY ELECTRIC
(Controlled by Duke-Price Power Co.)

Capitalization—	Authorized	Outstanding
Common	$1,700,000	$750,000
Preferred	800,000	700,000

Par $100.
Majority of the issued stock owned by the Duke-Price Power Co.

Funded Debt—
First mortgage and collateral trust 5½% bonds, series A, due 1953, $1,224,000.

Head Office—Chicoutimi, Que.

Officers and Directors—

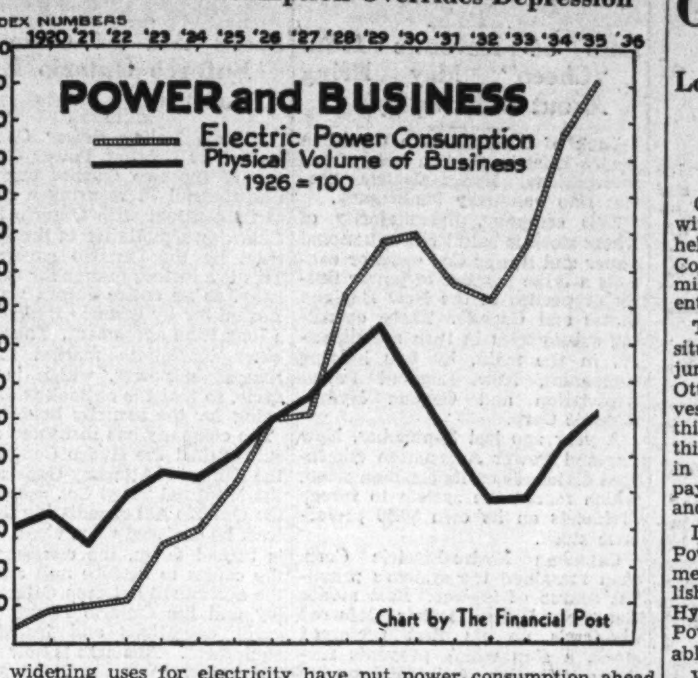
Officers—J. E. A. Dubuc, pres.; McNeely Dubose, vice-pres.; V. Dubuc, sec.-treas.; F. L. Farrell, asst. sec. and asst. treas.

Directors—J. E. A. Dubuc, McNeely Dubose, V. Dubuc, Chicoutimi, P.Q.; J. C. Smith, R. E. Powell, Montreal.

Times Bond Interest Earned—

Years End. Dec. 31:	1935	1934	1933
Before deprec. ..	1.40	1.27	1.13
After deprec.	0.80	0.74	0.65

Electric Power Consumption Overrides Depression



Ever widening uses for electricity have put power consumption ahead more quickly than the general level of business, as shown in this chart prepared by H. E. M. Kensit, M.E.I.C.

Calgary Power

Loss of Revenue from Ottawa Valley May Affect Common Dividend

Calgary Power Co. is concerned with repudiation of the contract held by the Ottawa Valley Power Co. with the Ontario Hydro Commission and the latter's refusal to enter into a new agreement.

The company is interested in the situation through control of the junior bonds and common stock of Ottawa Valley Power. It has invested approximately $2 millions in this venture and the revenue from this source plays an important part in the ability of Calgary Power to pay dividends on its own common and preferred stocks.

In the event that Ottawa Valley Power is not successful, through the medium of the courts, in re-establishing its contract with Ontario Hydro, the position of Calgary Power's capital stock is questionable.

While the common stock of Calgary Power Co. is not widely distributed, it is apparent that the loss of revenue from the investment in Ottawa Valley Power would affect the security back of the company's bonds and preferred stock.

Capitalization—	Authorized	Outstanding
Common	$5,000,000	$3,500,000
Pref. 6% cum. ..	7,500,000	6,000,000

Par $100.

Funded Debt—
1st mtge. S. F. gold bonds, 5 per cent, due 1960, outstanding $10,000,000.
1st mtge. 5 per cent bonds, due 1964, outstanding $2,000,000.

Dividend Record—
Preferred — $6 per annum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 1.
Common—$6 per annum, payable quarterly, Jan., April, July and Oct. 1.

Head Office—Montreal.

Officers and Directors—

Officers—I. W. Killam, chm. of board; G. A. Gaherty, pres.; R. B. Baxter, vice-pres. and man. dir.; Fred. C. Clarke, treas.; L. G. Proctor, sec.

Directors—I. W. Killam, G. A. Gaherty, Fred. C. Clarke, S. B. Hammond, H. J. Symington, Denis Stairs, R. B. Baxter, Montreal; H. H. Parlee, Edmonton.

Times All Interest* Earned:

	1934	1933	1932
Before deprec. ...	2.59	2.26	2.48
After deprec.	2.22	1.97	2.17

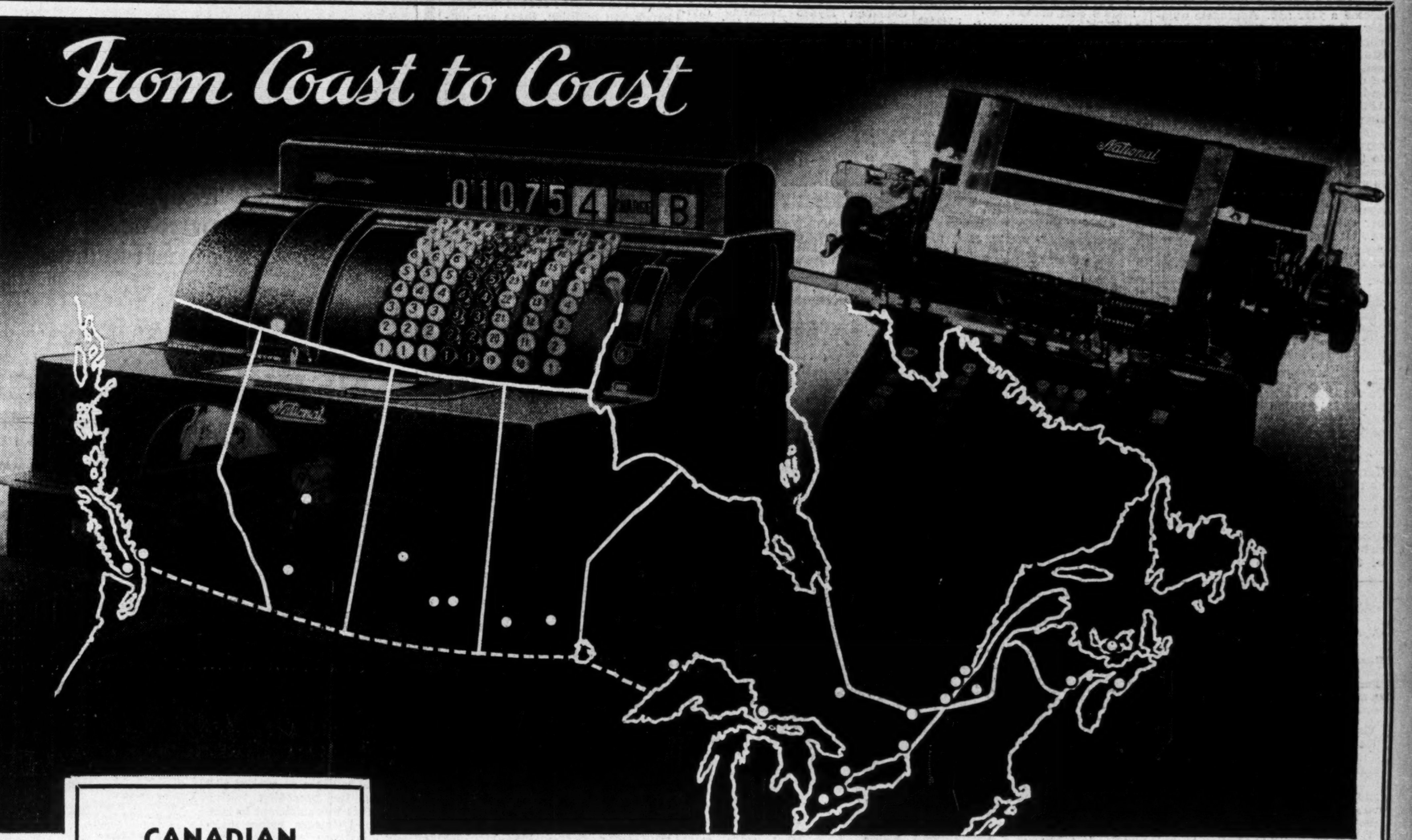
*And U. S. exchange.

Earnings per Share and Dividend Record:

Pref.: Earned ...	$11.14	$10.42	$10.53
Paid	6.00	6.00	6.00
Common: Earned	8.81	7.58	7.77
Paid	6.00	6.00	6.00

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Pref. ..	85	80	..	..	..	..



CANADIAN PUBLIC UTILITY CORPORATIONS *using* National Cash Registers *and* Accounting Machines

Alberta Government Telephones, Edmonton, Alta.
British Columbia Electric Railway Company, Ltd., Vancouver, B.C.
British Columbia Telephone Company, Vancouver, B.C.
City Gas and Electric Corporation, Ltd., Quebec, Que.
Consumers' Gas Company, The, Toronto, Ont.
Government Telephones of Manitoba, Winnipeg, Man.
Hydro Electric Commission, St. Catharines, Ottawa and Guelph, Ont.
Maritime Telegraph & Telephone Company, Ltd., Halifax, N.S.
Montreal Coke & Manufacturing Company, Ville La Salle, Que.
Montreal Light Heat & Power Consolidated, Montreal, Que.
Montreal Water & Power Company, Montreal, Que.
New Brunswick Telephone Company, Ltd., St. John, N.B.
Newfoundland Light & Power Company, Ltd., St. John's, Nfld.
North Shore Power Co., Three Rivers, Que.
Northwestern Utilities Limited, Edmonton, Alta.
Ottawa Electric Company, Ottawa, Ont.
Ottawa Light, Heat & Power Company, Ltd., Ottawa, Ont.
Power Commission, St. John, N.B.
Quebec Power Company, Quebec, Que.
Quebec Railway, Light & Power Company, Quebec, Que.
Saskatchewan Government Telephones, Regina, Sask.
Scarborough Public Utilities Commission, Toronto, Ont.
Union Power Company, Drumheller, Alta.
Winnipeg Hydro Electric System, Winnipeg, Man.

NATIONAL CASH REGISTERS AND ACCOUNTING MACHINES *give* CANADIAN UTILITIES Complete Accounting *Control*

Canadian utilities, from knowledge gained in handling hundreds of thousands of service accounts, safeguarding the interests of millions of stockholders, and taking responsibility for the security of billions of dollars of public funds, are sure of one thing. They know that National Cash Register equipment maintains COMPLETE, TIME-SAVING, ERROR-PREVENTING CONTROL of all cash and records.

National Cash Register systems offer to every type and size of business a mechanical system of control that eliminates losses from mistakes, forgetfulness and dishonesty; that speeds up accounting and collections; that does in a few seconds, with exactness, what used to be doubtfully achieved only after hours of the most tedious and often inaccurate detail work. Without obligation, invite a National Cash Register representative to discuss this system with you.

THE NATIONAL CASH REGISTER COMPANY
OF CANADA, LIMITED
Head Office and Factory, TORONTO
Branches in Principal Cities

Power Corp. of Canada

Earning Power Records Little Change But Value of Investments Rises, Increasing Equity Back of Stock

Gross earnings of Power Corp. of Canada for the first half of the current fiscal year ended December 31 last amounted to $770,000, compared with $764,000 for the corresponding period of the previous year. According to an official statement revenues from investments increased, but engineering revenues decreased.

Net income available for bond interest and dividends during the half year period totalled $625,000 or practically the same as in 1934. Interest on the company's debentures was somewhat less, owing to redemptions, and after providing for dividends on the preferred stock there remained a surplus of about $100,000.

A feature of the semi-annual statement is an increase of about $4 millions in the market value of the company's investment portfolio as at June 30, making the book value of the common stock equal to about $16 a share.

Operations Show Gain

Operations of the utility companies affiliated with Power Corp. as at June 30, 1935, revealed a number of interesting changes from that reported a year ago. Aggregate number of gas customers served declined to 64,119 compared with 64,516 at the end of June, 1934. Despite this falling off in the number of customers, there was an increase in the amount of gas produced from 1,878 million cubic feet to 2,040 million cubic feet.

Tramway operations of affiliated companies are steadily giving way to the motor bus. During the year ended June 30 last, the number of motor buses in operation increased from 101 to 115 and bus route mileage from 435 to 460. While the number of street railway cars in operation remained the same at 1,076, there was a decline in the mileage of railway lines from 526 to 519.

Power Division Grows

Increasing power operations are shown by the fact that during the year the number of miles of transmission lines in operation increased from 2,755 to 2,822 and the miles of distribution lines from 3,693 to 3,762. The power output of the companies controlled by or affiliated with Power Corp. had an aggregate output of 194 million kw.h. in the calendar year of 1935, as against 173.9 million kw.h. in 1934.

Earnings For Common

The last balance sheet of Power Corp., dated June 30, 1935, shows earnings equivalent to 43 cents a share. The company has no bank loans, while during the 1935 fiscal year a further block of $255,700 of debentures were purchased. This reduced the aggregate funded debt of the company to approximately $10.7 millions. The combined value of investments in subsidiary and affiliated companies and other investments at the end of last June was approximately $24 millions, of which over 70 per cent was in the bonds and shares of subsidiary and affiliated hydro-electric and utility companies.

This 70 per cent was invested in the securities of such companies as Northern British Columbia Power, B. C. Power Corp., East Kootenay Power, Winnipeg Electric and its subsidiaries, Canada Northern Power, Southern Canada Power, and Foreign Power securities.

No particulars are available as to the other investments of the company. Though such information has been requested on numerous occasions, the management have adhered to the policy of refusing to make public particulars of the company's investments.

Capitalization—	Authorized	Outstanding
1st pref., par $100	$5,000,000	$5,000,000
2nd pref., par $50	5,000,000	5,000,000
Com., n.p.v.	1,000,000 sh.	446,227 sh.

Funded Debt—
Convert. debentures, 5%, series A, due 1957, outstanding $1,969,300
Series B, 4½%, due 1959, outstanding 8,749,000

Dividend Record—
1st Pref.—$6 per annum, cumulative, payable Jan., April, July and Oct. 15, Paid regularly.
2nd Pref.—$3 per annum, non-cumulative, payable Jan., April, July and Oct. 15. Paid regularly.
Common—None at present; formerly $2.00 per share per annum; payable quarterly Feb., May, Aug. and Nov. 20. Initial dividend at this rate paid Nov., 1930, and regularly to May, 1932; none since.

Head Office—Montreal.

Officers and Directors—
Officers—A. J. Nesbitt, pres.; P. A. Thomson, vice-pres.; J. B. Woodyatt, vice-pres. and gen. mgr.; L. C. Haskell, sec.; C. Johnstone, treas.; V. J. Nixon, asst. sec.; F. D. Lamont and T. Irving, asst. treas.
Directors—A. J. Nesbitt, J. A. Raymond, J. Irwin, L. C. Haskell, J. B. Woodyatt, J. M. Robertson, P. A. Thomson, Montreal.

Year Ended June 30:	1935	1934	1933
Times All Int. Earn.:*	2.59	2.41	1.88

*Based on gross earnings.

Earnings per Share and Dividend Record:			
1st pref.: *Earned	$15.79	$14.62	$10.90
†Earned	15.79	14.62	....
Paid	6.00	6.00	6.00
2nd pref.:			
*Earned‡	4.90	4.31	2.45
*Earned§	3.00	3.00	nil
†Earned‡	4.90	4.31	nil
†Earned§	3.00	3.00	nil
Paid	3.00	3.00	3.00
Com.: *Earned‡	0.42	0.29	nil
*Earned§	0.42	0.29	nil
†Earned‡	0.42	0.29	nil
†Earned§	0.42	0.29	nil

*Based on gross earnings less expenses, interest and taxes.
†Based on gross earnings plus profit (or minus loss) on sale of securities, less discount on debentures written off, transfer to general reserve and transfer to investment reserve.
‡Before (§after) taking into consideration the participation features.

	1935		1934		1933	
	H	L	H	L	H	L
Pref.	99	80	87	51	62	26
Com.	12⅜	6½	15	7⅜	15¾	6

Int. Hydro

Loss of Revenue from "Checo" May Bring About Bankruptcy

Lack of revenue from Canadian Hydro-Electric System may force International Hydro-Electric System into voluntary bankruptcy.

This company, the majority of whose stock is held by International Paper and Power Co., owns or controls a large number of power utility properties in the New England States and Canada. These operating subsidiaries in turn are directed, in the main, by two holding companies, New England Power Association and Canada Hydro-Electric Corp.

A year ago last September, New England Power Association eliminated dividends on its common stock, which forced the system to forego dividends on its own $3.50 preference stock.

Canadian Hydro-Electric Corp. then remained the system's principal source of income. Last month Canadian Hydro-Electric deferred dividends on its first preferred stock, a step which prevents further distribution of dividends on the second preferred and common stock, all of which is owned by International Hydro-Electric System.

In view of the unlikelihood of Canadian Hydro resuming dividends in the near future, it is generally conceded that the system will not have sufficient income to meet its funded debt charges. That being the case, the system would apparently have no other alternative than to take advantage of the amended bankruptcy laws to carry out a voluntary reorganization.

The financial statement of the system for 1935 will be published about the end of May. Interim reports indicate that revenues have been maintained on practically the same basis as in 1934. The statement, of course, will not reflect the change in the position of the company brought about by the revision of the contract between Gatineau Power Co., a subsidiary of Canadian Hydro-Electric, and the Ontario Hydro-Electric Power Commission.

Capitalization—	Authorized	Outstanding
Com., par $0.05	40,000,000 sh.	†40,000,000
Cl. A, par $25	‡2,000,000 sh.	856,197 sh.
Cl. B, par $20	2,000,000 sh.	†1,000,000 sh.
Pref. conv.		
$3.50, par $50	1,000,000 sh.	144,799 sh.

†All class B and common stock owned or controlled by International Paper & Power Co.
‡$714,799 shares reserved for conversion of debentures and preferred stock and 66,673 for exercise of purchase warrants; there is also contingent liability to deliver up to 132,703 shares in exchange for option warrants of New England Power Assoc.

Funded Debt—
Six per cent convertible gold debs., due 1944, outstanding $30,000,000.

Dividend Record—
Preferred—Entitled to $3.50 per annum, payable Jan., April, July and Oct. 15. Payment due Oct. 15, 1934, deferred and none since.
Class A—Entitled to $2 per share per annum, cumulative, preferred, payable quarterly on Jan., Apr., July and Oct. 15. Initial dividend of 50c. paid July 15, 1929, payable either in cash or as 1/50th share class A stock. Paid regularly thereafter to July 13, 1932, when passed; none since.

Head Office—Boston, Mass.

Officers and Directors—
Officers—Irwin L. Moore, pres.; W. A. Hanway, vice-pres.; S. C. Moore, vice-pres.; Arthur E. Pope, vice-pres.; C. S. Herrmann, treas.; L. A. Wheeler, sec.; R. G. Ladd, asst. sec. & asst. treas.; E. B. Norcross, A. R. Storm, asst. treas.; F. A. Auffermann, Jr., C. D. Young, asst. sec's.
Directors—J. H. Leman, S. C. Moore, H. A. Wyman, H. R. Weaver, New York; V. M. Drury, Aimé Geoffrion, Montreal; G. Gordon Gale, Ottawa; H. P. Robinson, Saint John, N.B.; A. F. White, Toronto; Robert G. Ladd*, Harold C. Hohn*, Boston, W. A. Hanway, J. F. Rollins, E. B. Norcross.
*Elected on a temporary basis.

Times Fixed Charges Earned:	1934	1933	1932
Before dep.	1.40	1.43	1.42
After dep.	1.19	1.22	1.23

Earnings per Share and Dividend Record:			
Pref., $3.50 con. series:			
Earned	$10.21	$16.70	$19.53
Paid	1.75	3.50	3.50
Class A:			
Earned†	1.14	2.25	2.72

†Based on the number of shares outstanding at the end of the period.

Market Record—	1935		1934		1933	
	H	L	H	L	H	L
Class A	4¾	1¼	9⅛	8⅛	13⅞	2½

Ottawa Valley

Seeks Aid of Courts to Enforce Ontario Hydro Contract

Ottawa Valley Power Co., controlled by Calgary Power Co., was one of the two Quebec companies unsuccessful in securing a renewal of its contract with Ontario Hydro, following repudiation of the old contract by the Ontario government. This is a serious matter for the company, as its entire output was contracted for by Ontario Hydro under a long term agreement. There is no other immediate market for the company's power, which is of 25 cycle, so that the outlook is discouraging for the security holders.

The company has instituted a lawsuit against the Hydro Commission, the Ontario Attorney-General and the Montreal Trust Co., asking that the Ontario Act repudiating the contract be declared ultra vires. If this is turned down, the company asks the courts to declare null and void the agreement between Ottawa Valley and the Ontario Hydro as regards operations and transformer equipment. This case is now before the courts.

Public Holds Bonds

Public investment interest in Ottawa Valley Power is confined to an issue of $9 millions of first mortgage bonds. In addition, there are outstanding $1.5 millions of debentures and 50,000 shares of no par value common stock, the majority of which are owned by the Calgary Power Co. Interest on the first mortgage bonds falls due on April 1, and it is possible that if the lawsuit is not settled by this time, the company will defer interest until its position is definitely determined.

Capitalization—	Authorized	Outstanding
Common. n.p.v.	50,000 shs.	50,000 shs.

85 per cent of outstanding stock and debentures owned by Calgary Power Co.

Funded Debt—
1st mtge. S. F. bonds 5½%, due 1970, outstanding $9,000,000.
Debentures, 6%, 40-yr., (not publicly offered), $1,500,000.

Dividend Record—
Common—$5 per share paid in 1932.

Head Office—Montreal.

Officers and Directors—
Officers—C. W. Allen, pres.; G. A. Gaherty, vice-pres.; A. G. Mackinnon, sec.; F. C. Clarke, treas.; L. G. Proctor, asst. sec.
Directors—C. W. Allen, H. J. Symington, F. C. Clarke, A. G. Munich, G. A. Gaherty, R. B. Baxter, A. G. Mackinnon, all of Montreal.

Beauharnois

Bondholders to Form Committee to Look After Interests

Holders of Beauharnois Power Corp. and Beauharnois Light, Heat & Power Co. bonds will meet shortly to form a protective committee to look after their interests in view of the repudiation of the company's contract with the Ontario Hydro-Electric Power Commission.

Beauharnois Power Corp., through its subsidiary, Beauharnois Light, Heat and Power, had two main power contracts—one with Montreal Power and the other with the Ontario Hydro-Electric Power Commission. Revenue from these contracts, it was estimated, would be sufficient to take care of operating expenses, taxes and interest both on the first mortgage bonds and the collateral trust bonds by 1938.

Creates Serious Situation

The Ontario government's action in cancelling the Ontario Hydro contract with Beauharnois put the company in an awkward position. Ontario Hydro has refused to enter into a new agreement, so that Beauharnois is left with a large amount of 25-cycle power for which there is no immediate market. Revenues from the Montreal Power contract will not be sufficient to take care of all interest on the first mortgage bonds. Consequently prospects are that the company will have to come to an arrangement with the bondholders to defer fixed charges. This, of course, only applies to the first mortgage bonds, as the interest on the Beauharnois collateral trust bonds does not become due until the spring of 1938.

As far as can be determined, holders of Beauharnois Light, Heat and Power first mortgage bonds should come out fairly well in the long run, but prospects for Beauharnois Power collateral trust bondholders are uncertain.

Revenues Higher

Revenues of the company for 1935 totalled $2.8 millions as against $2.2 millions in the preceding twelve months. This was sufficient to take care of fixed charges, before making any allowance for depreciation.

Revenue obtained last year was from the sale to Ontario Hydro of $129,000 h.p. for ten months (when the contract was cancelled) and the sale to Montreal Power of 75,000 h.p. for nine months and 100,000 h.p. for three months.

After taking care of fixed charges, there was a balance of $545,795 for depreciation and amortization. This amount was reinvested in development, thereby reducing by that amount the capital outlay for which it was necessary to issue bonds during the year.

Stop Capital Work

Because of developments with regard to the Ontario Hydro contract, all construction work has been halted at the plant. In the past year the amount expended on capital account was $1.5 million, representing outlay on new equipment, dredging and the Cedar Rapids remedial work.

Capitalization—	Authorized	Outstanding
Common, n.p.v.	762,000 shs.	762,000 shs.

Funded Debt—
Collateral trust bonds, 5%, due 1973, outstanding $36,000,000.

Head Office—Montreal.

Officers and Directors—
Officers—John S. Norris, chm. and pres.; G. H. Montgomery, vice-pres.; R. A. C. Henry, gen. mgr.; C. C. Parkes, sec.; P. C. Drake, treas.
Directors — Arthur F. White, T. A. Russell, J. H. Gundy, Toronto; G. H. Montgomery, Norman J. Dawes, Aimé Geoffrion, S. Godin, Jr., John S. Norris, M. W. Wilson, C. S. Bagg, Montreal; Hon. Lucien Moraud, Quebec, Que.

Consolidated Income Account
Years Ended Dec. 31

	1935 $	1934 $
Gross revenue	2,872,882	2,227,555
Expenses	563,480	460,183
Directors' fees	5,805	6,499
Net revenue	2,303,507	1,760,873
Fixed charges	1,759,343	1,637,187
Oper. profit	544,164	123,686
Add: Other inc.	1,631	21,475
Less: Depr. & amort.	545,795	153,336
Deficit for year	....	8,175
Add: Prev. deficit	159,501	848,719
Less: Trans. to fixed assets	....	697,393
Deficit forward	159,501	159,501

Market Record—	1935		1934		1933	
	H	L	H	L	H	L
Com.	7⅛	2½	9⅞	3⅛	8½	3½

BEAUHARNOIS LIGHT, HEAT AND POWER
(Owned by Beauharnois Power Corp.)

Capitalization—	Authorized	Outstanding
Com., par $100	$4,000,000	$4,000,000

All owned by Beauharnois Power Corp. and subject to the specific charge securing the collateral trust bonds of that company.

Funded Debt—
First mtge. bonds, series A, 5½%, due 1973, outstanding $38,155,900.
Second mtge. bonds, 5%, due 1973, †issued $36,000,000.
Deposited as collateral security for parent company's collateral trust bond issue.

Hydro-Electric

Hydro-Electric Bond and Share Corp., as its name implies, is a holding company for hydro-electric securities. The company has not made public any particulars of its financial position or investment portfolio since it carried out public financing in the early part of 1927.

This company is controlled and directed by interests closely associated with Montreal Power and the understanding is that the funded debt is well covered by the realizable assets, while earnings are sufficient to take care of debt charges.

Capitalization—	Authorized	Issued
Common, n.p.v.	600,000 shs.	200,000 shs.

Funded Debt—
First collateral trust bonds, 5 per cent series A, due 1957, $2,883,000.
Income debentures, due 1967, $2,000,000.

Head Office—Montreal.

Officers and Directors—
Officers—Sir Herbert Holt, pres.; J. S. Norris, vice-pres.; S. Godin, Jr., man. dir.
Directors—Sir Herbert Holt, J. S. Norris, G. H. Montgomery, A. P. Holt and S. Godin, Jr., all of Montreal; J. H. Gundy, Toronto.

Gatineau Power

Settlement of Contract Troubles With Ontario Hydro Strengthens Position — Interest Charges Are Well Covered

Gatineau Power Co., operating subsidiary of Canadian Hydro-Electric Corp., has been successful in securing new contracts from the Ontario Hydro-Electric Commission, following the repudiation of the old contract by the Ontario Government.

Under the terms of the new agreements with Hydro, which run for a period of ten years or less than the life of the present outstanding bonds, Gatineau Power will receive an annual minimum revenue of $2.4 millions. This means a reduction in revenue from the Hydro, as compared with the company's 1934 returns, of about $2.2 millions annually. However on the minimum basis the result will be to allow the company to cover all bond interest even after depreciation.

Set Minimum Figure

Under the terms of the minimum contract with Hydro, Gatineau Power will deliver 100,000 h.p. of 25-cycle power; will hold as stand-by 33,000 h.p. and in reserve 127,000 h.p., making in all 260,000 h.p. of 25-cycle power. In addition the company will deliver to Hydro 42,000 h.p. of 60-cycle power, will hold as a stand-by 9,000 h.p. and a further 9,000 h.p. in reserve, a total of 60,000 h.p. of 60-cycle power.

It will be seen that the basis on which the new Gatineau contract is drawn, leaves room for greater sales of firm power to Hydro and may therefore eventually result in considerably improved revenues.

At the peak of deliveries of firm power, namely 260,000 of 25-cycle and 60,000 of 60-cycle h.p., Gatineau Power will receive from Ontario Hydro a gross income of $4 millions, or the equivalent of $12.50 a h.p.

Cover All Charges

During 1935 the income statement of Gatineau Power showed a revenue on practically the same basis as in 1934. There was little or no change in operating expenses, bond interest charges and depreciation reserve, so that the balance available for dividends was unchanged from a year ago.

Settlement of contract troubles with Ontario Hydro has done a great deal toward strengthening the investment merits of the company's securities. While interest and other obligations have been met regularly, the possibility of the loss of the Ontario Hydro business depressed the market value of the company's first mortgage bonds and debentures. With this situation cleared up, the market value of securities has recovered.

Capitalization—	Authorized	Outstanding
Com., par $5	$2,500,000	$2,500,000
Pref., cum. 6% Par $100.	25,000,000	25,000,000

All shares of both issues held by Canadian Hydro-Electric Corp.

Funded Debt—
1st mtge. 5 per cent bonds, due 1956, standing $69,590,500.
Sinking fund debs., 6 per cent, due 1941, outstanding $10,112,500.
S. f. debs., series B, 6 per cent, due 1941, outstanding $7,500,000.

General Office—Montreal.

Times Fixed Charges Earned:	1934	1933	1932
Before depr. & am. of storage works	1.53	1.54	1.57
After depr. & am. of storage works	1.41	1.42	1.46

Earn. per Share and Dividend Record:			
Pref.: Earned	$8.66	$8.96	$9.73
Paid	$6+*$4	$6+*2.50	6.00
Com.: Earned†	1.35	1.48	1.87
None paid.			

*Paid on arrears.
†Based on full year's preferred dividend requirements but before taking arrears into account. As at Dec. 31, 1934, preferred stock was 14½ per cent in arrears of dividends or $3,625,000.

Duluth Superior

Duluth Superior Traction Co. has been in receivership since 1930. No financial statement or information has been made public since then.

The company controls the Duluth street railway which serves the cities of Duluth and Superior, Wisconsin.

Central Stations Buy Fuel

Central electric stations in Canada had a total fuel bill of $2 millions during 1934. Saskatchewan accounted for 38.4 per cent and Nova Scotia 36.7 per cent. Local coals were used almost exclusively in the majority of plants using coal.

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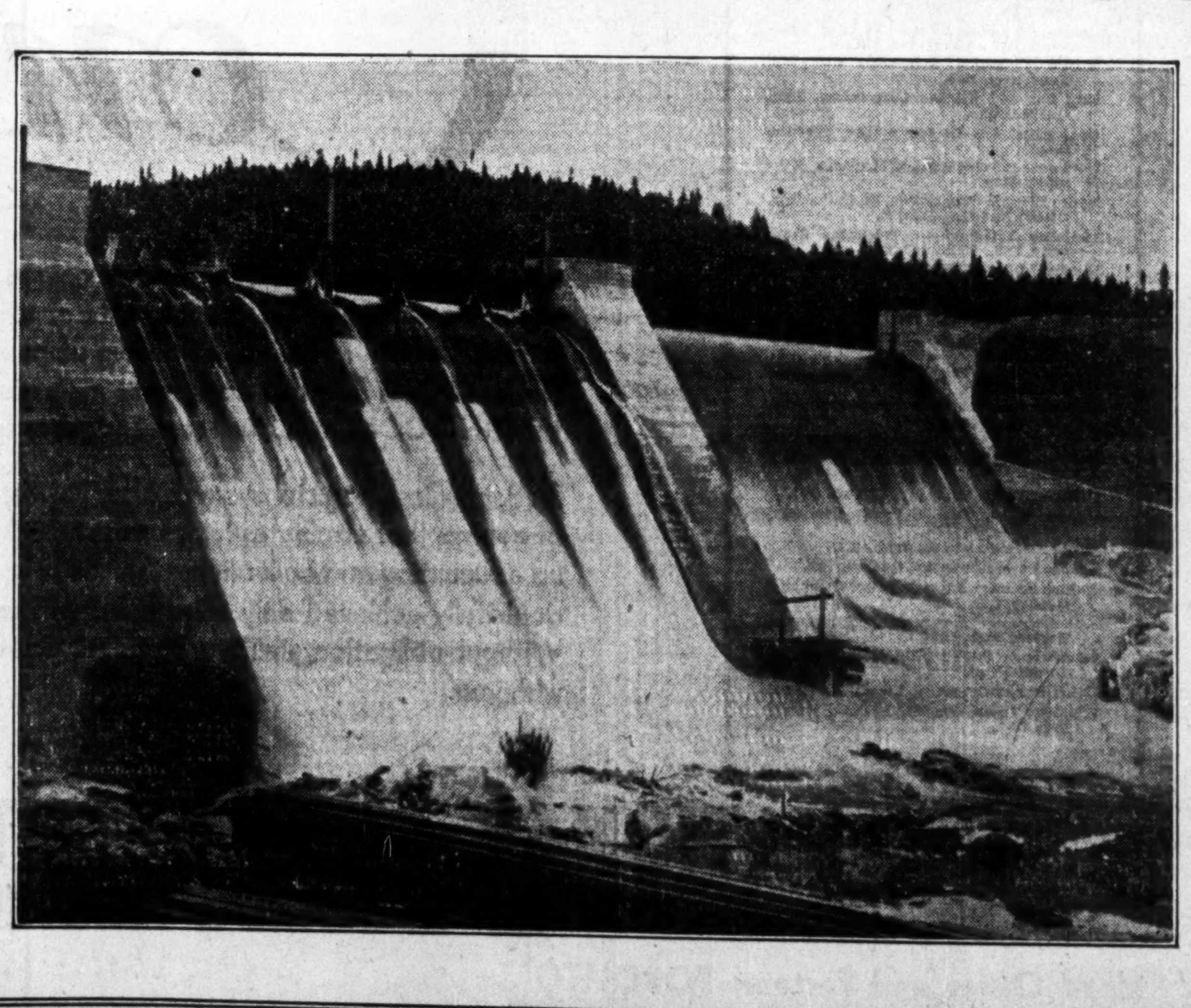

VIRTUALLY every water-course on the Island of Newfoundland has at least one or more power sites, many of these are adjacent to the great bays that dot the coast, rendering them peculiarly available for any industry that is looking for a world-wide market by water-borne freight.

Natural Resources Abound

• The development of the great pulp and paper industry on the Island has been due largely to the happy conjunction of large stands of pulp and timber with ample water power. The accessibility of this latent electric power was one of the large determining factors in bringing the industries to the country.

The availability of cheap power has been a great factor also in opening up the vast mineral resources of the country. The Wabana iron deposits at Conception Bay are among the most extensive and economically important in the world. It is the same factor of cheap power that is operating to bring about still other great mining undertakings on the Island.

The economic importance of such advantages is apparent. Both Newfoundland and Labrador hold unusual opportunities for industry. The same factors which make for economical distribution of finished products from Newfoundland also make possible the bringing of raw products to Newfoundland for fabrication. This assures the Ancient Colony of substantial industrial development as more people appreciate the facts.

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B. C. Power

Steady Expansion in All Divisions Reported by Coast Operator — Class "A" Stock Dividend Raised

British Columbia Power Corp. is steadily strengthening its position, both in regard to operations and earnings. During the half year ended last December, gross income showed an increase of $400,000. While operating expenses offset this gain in part, net revenue at $2,232,194 compared with $2,148,531 for the last half of 1934.

Reflecting the upward trend in earnings, directors increased the dividend on the class A stock from $1.50 to $1.60 a share. This increase will call for an outlay of an additional $100,000 on the million shares of stock issued.

Operations Show Increase

Operations of the company during the fiscal year ended June 30, 1935, recorded general improvement over the preceding twelve months. The light and power system reported an increase of over 2,700 customers, a gain in the motor load of 5,312 h.p. and an increase in output of more than 17 million kw.h.

The gas system was able to increase output by over 64 million cubic feet. This was brought about by the bringing into production of the new plant and reduction in rates for gas heating.

The railway system reported an increase of 1,589,000 in the number of passengers carried and about 17,000 tons more of freight. The improvement in freight was largely due to the temporary removal of the restrictions governing the shipment of Canadian wood products into the United States, a shortage of these products having occurred owing to the labor strike in the lumber mills of Oregon and Washington.

In line with the more extensive operations, gross income at slightly better than $13 millions showed an increase of $400,000 over the previous year. After taking care of all senior charges, there was a balance equivalent to $1.68 a share on the class A stock as compared with $1.65 in the 1934 fiscal year.

Plans for 1936

An extensive development programme has been lined up by the company for 1936 and 1937. This year the company will spend about $500,000 on extension of the light and power distribution system. A further amount of the same proportion will be spent in 1937. Current plans also include an outlay for the construction of seven new motor buses. The frame work for these will likely be manufactured in England, but the superstructure will be done in Vancouver. No power developments are in immediate prospect.

Capitalization—	Authorized	Outstanding
Class A pfd.....	1,500,000 sh.	1,000,000 sh.
Class B n.p.v...	1,500,000 sh.	1,000,000 sh.

Funded Debt—
1st refund. coll. trust S. F. bonds, series A, 5½'s, due 1960, outstanding $9,936,000. Series B, 5%, due 1960, outstanding $3,973,000.

Dividend Record—
Class A, present rate $1.60 per share per annum, payable quarterly, Jan., Apr., July and Oct. 15; increased from $1.50 per annum Apr. 1, 1936.
Class B. None paid.

Head Office—Vancouver.

Officers and Directors—
Officers—W. G. Murrin, pres.; A. T. Goward, vice-pres.; E. H. Adams, vice-pres. and treas.; E. Rogers, sec.
Directors — G. Kidd, W. G. Murrin, E. H. Adams, A. C. Taylor, Vancouver; A. T. Goward, Hon. Sir F. S. Barnard, Victoria, B.C.; Herbert S. Holt, A. J. Nesbitt, P. A. Thomson, J. B. Woodyatt, S. Godin, Jr., Montreal; J. H. Gundy, Toronto; C. E. Calder, New York City; A. P. Holt, J. Davidson, London, Eng.

Year End. June 30:	1935	1934	1933
Times Fixed Charges Earned:			
Before deprec. ...	2.41	2.35	2.35
After deprec.	1.67	1.64	1.62
Earnings per Share and Dividend Record—			
Class A: Earned...	$1.69	$1.65	$1.54
Paid	1.50	1.62	2.00

Market Record—

	1935		1934		1933	
	H	L	H	L	H	L
Cl. A	30½	21	32⅞	22¾	28	14
Cl. B	5	2	8½	4	6¾	3

B.C. ELECTRIC RAILWAY
(Controlled by British Columbia Power Corporation)

Capitalization—	Authorized	Outstanding
Cum. pref. 5%....	£1,440,000	£1,440,000
Non-cum. pref. ordinary 5%	1,440,000	1,440,000
Def. ord. 7% non-com.	2,406,103	2,406,103
Ordinary	$1,033,897	....

Par £1.
Parent company holds all the outstanding preferred ordinary and deferred ordinary shares of the company's stock.

Funded Debt—

Perp. Cons. deb. stock, 4¼%	£2,788,170
Van. Pr. perp. guar. deb. stock, 4¼%	1,500,000

Dividend Record—
Perpetual preferred: 5% cumulative, payable Jan. and July 15. Paid regularly since 1904. No public interest in ordinary stock.

Officers and Directors—
Officers—W. G. Murrin, pres.; E. H. Adams, vice-pres.; J. V. Armstrong, sec.
Directors — E. H. Adams, chairman; E. Rogers, W. Saville, E. W. Arnott, Vancouver.

Head Office—Vancouver.

B.C. ELECTRIC POWER & GAS
(Controlled by B.C. Electric Railway)

Capitalization—	Authorized	Issued
Pref. 6%, par $100	$5,000,000	$5,000,000
Common, par $1 ...	20,000,000	*15,248,012

*Entirely owned by parent company.

Dividend Record—
Preferred—6 per cent cumulative, payable quarterly on 1 Jan., April, July and Oct.

Head Office—Vancouver.

VANCOUVER POWER CO.
(Controlled by British Columbia Electric Power & Gas Co., a unit of the British Columbia Power Corp.)

Capitalization—	Authorized	Outstanding
Common	$9,500,000	$9,500,000

Par $1.
Entire issue held by parent company.

Funded Debt—
The funded debt of the company is guaranteed by the British Columbia Electric Railway Co. For details see under funded debt of B.C. Electric Railway.

Head Office—Vancouver.

WESTERN POWER
(Controlled by the Vancouver Power Co., a unit of the B.C. Power Corp.)

Capitalization—	Authorized	Outstanding
Common	$5,000,000	$5,000,000
Preferred	5,000,000	850,000

Par $100.
The Vancouver Power Co. owns 99.7% of the entire preferred and common stock outstanding.

Funded Debt—
1st mtge., 5% due 1949, outstanding $4,230,767 5½% deb., due 1960, outstanding †$4,000,000.
†All pledged as collateral for bonds of B. C. Power Corp.

Head Office—Vancouver.

Twin City

Stems Losses in Serving Minneapolis and St. Paul

Twin City Rapid Transit Co., formed under New Jersey laws in 1891, owns and controls through operating subsidiaries the entire street railway systems of Minneapolis, St. Paul and vicinity.

The company was an eminently successful and well-managed concern for several decades. The seven per cent preferred dividends were paid from 1894 down to the end of 1931. Common dividends starting in 1899 were paid in every year to the end of 1930 at varying rates.

The company began to experience a decline in traffic in 1921. This was due primarily to increased use of the private automobile, and it was aggravated in the depression years by unemployment and unfavorable business conditions. Every effort has been made to offset the decline in revenues, and to reduce operating expenses.

In 1935, there was an improvement in gross income and in net earnings. Working capital dropped considerably during the year.

Capitalization—	Authorized	Outstanding
Com., n.p.v....	220,000 shs.	220,000 shs.
Pref., par $100	$3,000,000	$3,000,000
Funded Debt—		
First lien and refd. bonds, series A 5½% due 1952	18,000,000	17,145,000
Series B, 5½% due 1952	....	*680,000
St. Paul City Rly. bonds, 5%, due 1937	5,500,000	3,544,000

*Issued.

Dividend Record—
Preferred—7 per cent cumulative, payable quarterly Jan., April, July and Oct. 1. Paid regularly to and including Jan. 2, 1932, since passed. In arrears $28 per share Jan. 2, 1936.
Common—None. Four per cent paid for 1930 in secured dividend notes. No payments since.

Head Office—Minneapolis, Minn.

Officers and Directors—
Officers—T. Julian McGill, pres.; E. W. Decker, vice-pres.; D. J. Strouse, vice-pres. and sec.; E. A. Crosby, treas.; A. D. Starkey, asst. treas.; S. Macdonald, compt. and asst. sec.; J. L. Alexander, oper. mgr.
Directors—Alfred F. Pillsbury, Minneapolis; James A. Cathcart, Chicago; E. W. Decker, Minneapolis; Col. F. H. Deacon, Toronto; T. Julian McGill, Minneapolis; W. O. Washburn, John P. Fitzpatrick, St. Paul, Minn.; Hon. Frank Carrel, Quebec.

	1935	1934	1933
Times Cons. Bond Int. Earned	$1.52	$1.32	$1.10
Earns. per Share & Div. Record:			
Pref.: Earned ...	$15.74	$8.06	nil
Common: Earned	1.19	0.14	...

Market Record—

	1935		1934		1933	
	H	L	H	L	H	L
Com.	12½	2	8½	1¾	4	1

B. C. 'Phone

Earnings on Common Stock Higher — Greater Use of Facilities

British Columbia Telephone Co.'s financial statement for 1935 shows a moderate increase in both gross and net profit. Earnings on the common stock were equal to $7.67 a share, as against $7.03 in 1934.

This company, which is controlled by the Anglo-Canadian Telephone Co., which in turn is associated with the Associated Telephone and Telegraph Co., owns and operates the principal telephone system in the province of British Columbia. There are exchanges on Vancouver Island connected with the mainland by the company's own submarine cables.

At the end of last year B. C. Telephone had in operation 109,231 telephones, an increase of 2,905 during the year. Long distance toll traffic handled in 1935 showed an increase of 5¾ per cent in revenue over the previous twelve months.

Trouble Last Year

Operations last year were affected by a bad snow and ice storm in the Fraser Valley. All toll lines out of this district were completely down for nearly two weeks and apart from the large loss and inconvenience to the communities affected, the company had to make replacements at a total of $150,000.

At the end of 1935, the company's balance sheet showed a strong working capital position. Throughout the depression B. C. Telephone has earned bond interest before and after depreciation several times over. Preferred dividends have been earned by a comfortable margin, while the company has been able to increase the dividend on its common stock from $7.25 in 1934 to $7.50 a share in 1935.

Capitalization—	Authorized	Outstanding
Ordinary	$4,500,000	$4,500,000
Prefce. 6% cum..	1,000,000	1,000,000
Prefd. 6% cum...	4,500,000	4,500,000

Par $100.
The National Telephone and Telegraph Corp. owns 43,799 of the ordinary shares.

Funded Debt—
1st mtge. 5 per cent bonds, series A due 1960, $10,000,000.

Dividend Record—
Preference—6 per cent per annum, cumulative and payable Jan., April, July and Oct. 1. Paid regularly.
Preferred—6 per cent per annum, cumulative and payable Feb., May, Aug. and Nov. 1. Paid regularly.
Ordinary—7¼ per cent per annum. Dividends paid since 1916.

Head Office—Vancouver.

Officers and Directors—
Officers—H. L. Gary, chm.; G. Farrell, pres.; J. Hamilton, vice-pres. and gen. mgr.; J. G. Crane, vice-pres.; W. C. Pitfield, vice-pres.; C. C. Simpson, treas.; R. J. Munro, sec.
Directors—H. L. Gary, A. F. Arams, J. G. Crane, Kansas City, Mo.; G. Farrell, P. W. Evans, L. G. McPhillips, R. J. Munro, Vancouver; W. C. Pitfield, Montreal; Hon. G. H. Barnard, Victoria.

	1935	1934	1933
Times Bond or Deb. Int. Earned:			
Before deprec. ...	3.98	4.10	3.72
After deprec.	2.41	2.37	2.15
Earn. per Share and Div. Record:			
Pref.: Earned ...	$67.54	$64.65	$59.54
Paid	6.00	6.00	6.00
Pref.: Earned ...	13.67	13.03	11.90
Paid	6.00	6.00	6.00
Ordinary: Earned	7.67	7.03	5.90
Paid	7.50	7.25	7.25

Dom. Telegraph

Operations and finances of Dominion Telegraph Co. vary little from year to year, as properties of the company are leased on a fixed income basis. Public investment interest is limited to the bonds, which are closely held and seldom come on the market.

Dominion Telegraph is not an operating unit, its properties having been leased to the Western Union, which in turn signed over to Great Northwestern Telegraph Co., that part of the system which lies west of New Brunswick. The latter is now part of the Canadian National Railways, which has acknowledged the obligations of the original lease. The lease calls for an annual rental of $62,500 which is sufficient, with income from miscellaneous investments, to provide the company with sufficient income for the redemption of bonds outstanding.

Capitalization—	Authorized	Outstanding
Common	$40,000	$40,000

Par $100.

Funded Debt—
Sinking fund mtge., 5½%, bonds, series A and B, due 1978 .... $848,700

Head Office—Toronto.

Officers and Directors—
Sir Henry M. Pellatt, pres.; L. E. Macrae, 1st vice-pres.; Aemilius Jarvis, 2nd vice-pres.; A. W. Hodgetts, sec.-treas.; Col. Reginald Pellatt, all of Toronto.

Can. Northern Power

Operations Record Marked Expansion in Past Year — Dividend on Common Increased

Canada Northern Power, controlled by Power Corp. of Canada, reported an all-round improvement and considerable expansion in operations during 1935. Earnings on the common stock were equal to $1.89 a share as against $1.70 in 1934. In view of the larger income, the company increased the distribution on the common stock from 20 cents to 30 cents a share quarterly.

Financial statement of the company as at the end of last year shows a substantial increase in net working capital, advancing from $655,552 to $1,177,718. Cash on hand more than doubled during the year, while investments increased nearly $200,000 to $947,006. Of the latter, marketable securities amounted to $437,669, with a market value of $456,320, while other investments are carried at book value, less reserve, of $509,336. During the year the company reduced its funded debt by nearly $200,000, while there was a further reduction in the outstanding underlying securities.

Expansion of operations last year was considerable. Transmission lines were extended to serve the Perron Gold Mine, Stadacona Rouyn Mines, and Siscoe Extension Gold Mine. In addition a number of mining companies, which have been using power for mining and lighting purposes only, completed the construction of mills, which considerably increased the quantity of power utilized. These included Lamaque Gold Mines, Canadian Malartic Gold Mines and Arntfield Gold Mines.

During the year the company secured two new franchises, one in Ontario from the township of Whitby in the Porcupine area and the other in Quebec in the new town of Val d'Or. Further, the franchise which the company has been operating in Timmins was renewed for ten years from December 1, 1936.

Capitalization—	Authorized	Outstanding
Com., n.p.v. .	500,000 sh.	400,000 sh.
Pref., par $100 ...	$7,500,000	$5,500,000

Funded Debt—
Collateral trust 5% bonds series A, due 1953 .... $16,561,500

Dividend Record—
Preferred—$7 per annum, cumulative, payable Jan., April, July and Oct. 15; paid regularly.
Common—Present rate $1.20 per share per annum, payable quarterly, Jan., April, July and Oct. 25, increased from $1 per annum with payment of 30c. April 25, 1935.

Head Office—Montreal.

Officers and Directors—
Officers—A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; B. V. Harrison, vice-pres. and gen. mgr.; L. C. Haskell, sec.; C. Johnstone, treas.; H. A. Seymour, asst. sec.-treas.; V. J. Nixon, asst. sec.; T. Irving, sec.-treas.
Directors—A. J. Nesbitt, J. B. Woodyatt, P. A. Thomson, Hon. J. L. Ralston, Montreal; D. McLachlin, Arnprior; Maj.-Gen. The Hon. S. C. Mewburn, Hamilton; F. O. Blackwell, New York; B. V. Harrison, New Liskeard, Ont.

Times Interest Earn.:	1935	1934	1933
Before deprec.	3.36	3.22	2.77
After deprec.	2.48	2.36	2.00
Earnings per Share and Dividend Record:			
Pref.: Earned†	$20.57	$19.16	$15.14
Paid	7.00	7.00	7.00
Com.: Earned‡	1.87	1.67	1.12
Paid	1.20	1.00	0.90

†After all dividends of subsidiaries and after deduction of minority interest in surplus of subsidiaries.

‡After all preferred dividends of parent company and subsidiaries and after deduction of minority interest in surplus of subsidiaries.

Market Record—

	1935		1934		1933	
	H	L	H	L	H	L
Pref. ..	111	98¼	105	88¼	94	65
Com. .	25¾	17¼	22½	16¼	18	12

NORTHERN ONTARIO POWER
(Controlled by Canada Northern Power)

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	500,000 shs.	240,014 shs.
Pref., par $100 ..	$2,500,000	$2,499,300

$977,200 preferred and 234,217 shares of common are pledged under the 5 per cent Collateral Trust S. F. Series A bonds of Canada Northern Power Corp.

Funded Debt—	Outstanding
6% Deb. Notes, due 1953* .... (Northern Ontario Power)	$3,500,000
6% Deb. Notes, due 1953* .... (Northern Ontario Power)	2,250,000
6% Deb. Notes, due 1953* .... (Northern Ont. L. & P.)	5,000,000
6% Deb. Notes, due 1953* .... (Northern Ont. L. & P.)	515,000

*Issued in favor of Canada Northern Power. The first two issues are pledged under that company's 5 per cent Collateral Trust S. F. Series A bonds.

Dividend Record—
Preferred—6 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 25; paid regularly.
Common—$3 per annum, payable Jan., April, July and Oct. 25. Initial payment at this rate made Apr. 25, 1935; previous rate was $2.

Executive Office—Montreal

NORTHERN QUEBEC POWER
(Controlled by Canada Northern Power)

Capitalization—	Authorized	Outstanding
Com.,* n.p.v. ..	200,000 shs.	200,000 shs.

*199,950 shares are pledged under Canada Northern Power Corp., 5 per cent Coll. Trust S. F. Series A bonds.

Funded Debt—
1st mtge. 6 per cent series A bonds, due 1945, outstanding $2,650,000; 6 per cent deb. notes, due 1953, outstanding $2,350,000.
All owned by the Canada Northern Power Co. and pledged under its 5 per cent Collateral Trust S. F. A bonds.

Head Office—Montreal.

Nat. Light

National Light & Power Co. owns and operates the electric light and power system of Moose Jaw, Sask. It also sells power wholesale to the Saskatchewan Power Commission and Montreal Engineering Co.

Unofficial reports place 1935 operating earnings at $298,109, an increase of over $50,000. After taxes, and deduction of $68,634 for depreciation—more than double the 1934 allowance—net profit was $203,249. This covered bond interest 1.64 times, compared with coverage of 1.63 times in 1934.

Capitalization—	Authorized	Outstanding
Common, n.p.v.	100,000 shs.	100,000 shs.
Pref. 7% cum. ..	$10,000,000	$1,100,000

Par $100.

Funded Debt—
1st mtge. S. F. bonds, series A, 6%, due 1949, outstanding, $2,000,000.
6% 10-year notes, due 1940, outstanding $200,000. Not publicly offered.

Head Office—Moose Jaw, Sask.

Dividend Record—
Preferred—7% cumulative, payable Feb., May, Aug. and Nov. 1. None paid since Nov. 1, 1931.
Common—None paid.

Officers and Directors—
D. I. McLeod, Toronto; M. F. Harwood, W. Spotton, W. E. Hirsch, and H. F. Berry, Moose Jaw, Sask.

Times Bond Int. Earned:	1935	1934
Before depreciation	2.19	1.92
After depreciation	1.64	1.69

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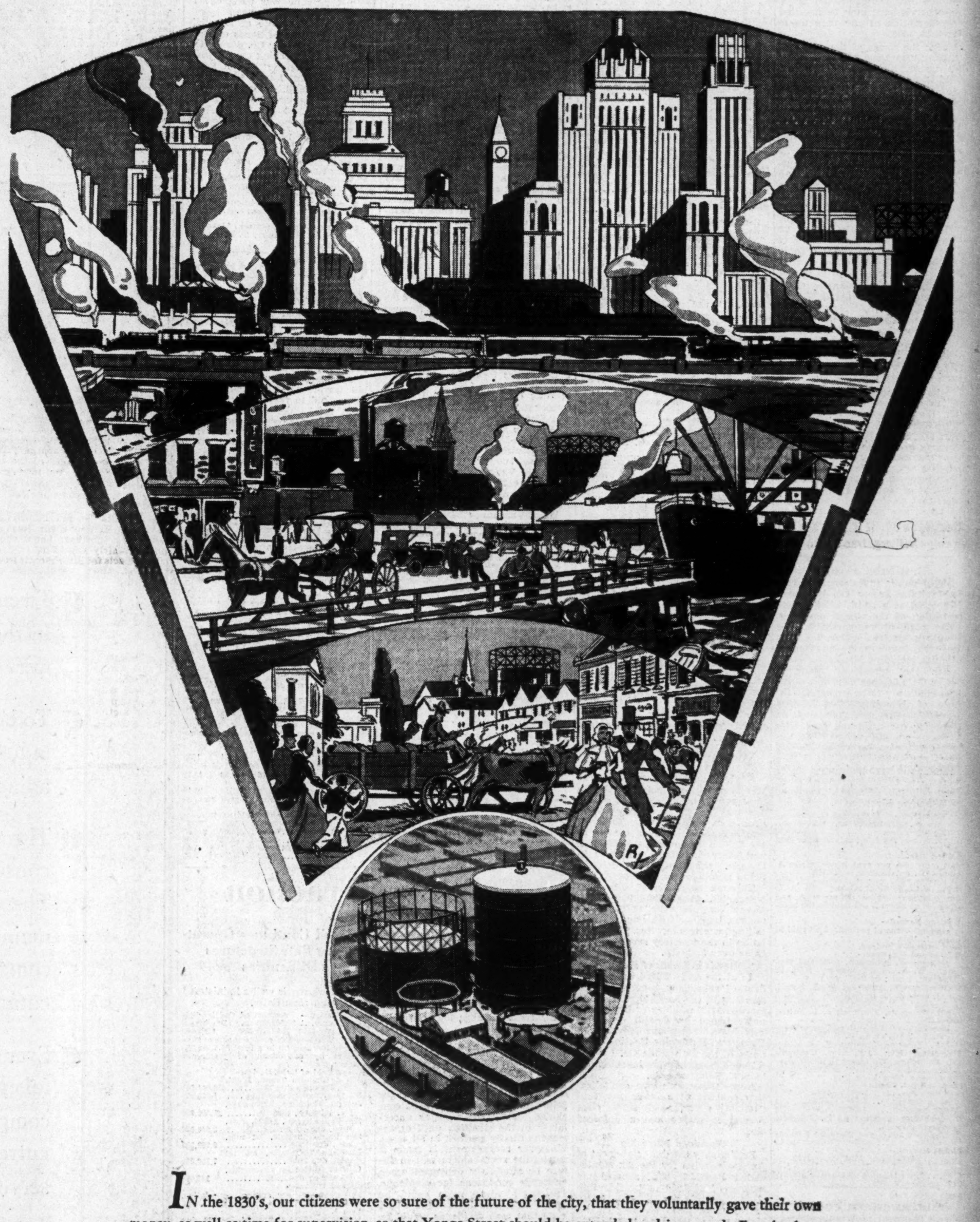


IN the 1830's, our citizens were so sure of the future of the city, that they voluntarily gave their own money, as well as time for supervision, so that Yonge Street should be extended and improved. Foot by foot, by faith and work, the great street went north.

A few years passed and an industry was established that grew as the city grew. Like the city, the gas industry looks back over the intervening years with satisfaction, and to the future with confidence.

"The gas industry," says CANADIAN CHEMISTRY AND METALLURGY, "has survived shock after shock. It is now an up-and-coming young man with a mature head on its shoulders... When gas lighting gave way to electricity (in America), the gas industry almost ceased to exist in the public mind. But the industrialists continued to find gas an essential and economical servant... The gas industry has its drama. It looks to the day when it will be given the business of transforming solid and liquid fuels to gaseous form for domestic consumption in wide areas not thus served."

THE CONSUMERS' GAS COMPANY
OF TORONTO

Winnipeg Electric

Long-drawn-out Reorganization of Company and Subsidiaries Completed — Strengthen Financial Position

Reorganization plans of Winnipeg Electric and subsidiary companies have met with court approval and it is expected that the new arrangements will be put into effect by May 20, while the exchange of securities will probably be effected before the middle of the year.

The decreased earnings of the company under general business conditions since 1929 led to the reorganization proposals for Winnipeg Electric and its subsidiaries, Northwestern Power and Manitoba Power. Negotiations have been carried on over an extended period, and in its final form, interest charges are reduced to a point where they can be covered comfortably by current earnings.

Issue New Bonds

Under the scheme of arrangements, Winnipeg Electric Co. will issue new five per cent first mortgage bonds, due 1960, totalling $3.5 millions for refunding of the Winnipeg Electric Railway Co. first refunding mortgage 30-year, five per cent bonds, which matured on January 1, 1935. Redemption of these bonds was delayed, awaiting completion of the reorganization plans. These bonds have now been called for redemption at any time up to March 31, 1936.

Under the terms of the plan, the company may issue $7.5 millions of new bonds, inclusive of the proposed issue of $3.5 millions. Repayment of bank loans is provided in the plan, along with other changes in the financial structure effecting the re-establishment of the company.

New Capital Set-up

The new capital set-up of Winnipeg Electric Co. will include $3.5 millions of first mortgage, five per cent bonds; $29,275,500 of series A general mortgage bonds; $6 millions of series B general mortgage bonds; 281,711 class A common shares, no par value, and 289,366 class B shares of no par value. In addition there will be issued contingent certificates with a face value of $1,921,234.

Details of the distribution of the new securities for those of Winnipeg Electric Co. and Northwestern Power, and Manitoba Power, have been set forth in different issues of The Financial Post over the past year, and, for that reason, are not here repeated.

City Still Interested

In its pronouncement of the completion of the plan of reorganization, the transportation committee of the City of Winnipeg, formed two years ago, to consider an offer of the company to sell the property to the city, has made a recommendation that the offer be put to a vote of the ratepayers. Edward Anderson, president of the company, however, states that since the committee had not taken any action, the company considered the proposal dropped. Consequently it is not likely that anything will come out of the committee's suggestion of putting the matter before the ratepayers.

New Capital Structure:

	Authorized	To be Outstanding
1st mtg. bds. 4½%	$7,500,000	$3,500,000
Gen. mtg. bds.	50,000,000	....
Series A	......	29,273,000
Series B	......	6,000,000
Pf. shs., par $100	5,000,000	5,000,000
Common shs., no par:		
Class A	281,693 sh.	281,693 sh.
Class B	289,506 sh.	†289,506 sh.

†To be retained by existing Winnipeg Electric common shareholders and issued to Manitoba and Northwestern, 264,506 shares; issued to preference shareholders at the rate of one-half of one share for each preference share held.

Note:—In addition, contingent certificates of the aggregate face amount of $1,921,094 are to be issued with and at the rate of $70 for each $1,000 of general mortgage bonds, series A, other than bonds pledged as collateral security.

Present Capital Structures—

	Authorized	Outstanding
Pref., 7%, par $100	$5,000,000	$5,000,000
Pref. 6%, par $100	5,000,000	None
Common, n.p.v.	500,000 sh.	244,472 sh.

Funded Debt—
Winnipeg Electric 5 per cent refund. mtge. stock or bonds, due 1954, outstanding $4,380,000; 6 per cent refund. bonds, due 1954, $7,000,000.
Winnipeg Electric Rly. 5 per cent 1st refund. mtge. bonds, due 1935, outstanding $5,000,000, of which $2,083,000 has been acquired for account of sinking fund, leaving $2,917,000 outstanding in hands of public. Redeemed Jan. 2, 1936.

Dividend Record—
Preferred — $7 per annum, cumulative, payable Jan., April, July and Oct. 1. Paid regularly to and including Oct. 1, 1931, since passed.
Common—None at present. Former rate was $2 per annum, payable half-yearly, Feb. and Aug. 1. Dividend due Feb. 1, 1931, was passed and none paid since.

Head Office—Winnipeg, Man.

Officers and Directors—
Officers—E. Anderson, pres. and gen. mgr.; W. R. Bawlf, vice-pres.; L. Palk, sec.; J. S. Mackenzie, treas.
Directors—E. Anderson, W. R. Bawlf, J. B. Coyne, W. J. Bulman, N. J. Breen, W. H. Carter, Winnipeg; P. A. Thomson, A. J. Nesbitt, J. B. Woodyatt, Montreal; S. L. Fuller, New York; A. E. Pickering, J. A. McPhail, Sault Ste. Marie, Ont.
Bondholders' Committee—C. S. Macdonald (chairman); C. C. Calvin, D. H. McDougall, Toronto; M. A. Thomson, Montreal; Hon. T. A. Crerar, Winnipeg; D. P. Abercrombie, James B. Cullum, Jr., George N. Emory, New York. M. G. Angus, sec.

Times All Interest Earned:

	1934	1933	1932
Before deprec. ..	2.11	1.91	2.06
After deprec.† ..	1.54	1.37	1.52

†Including additional depreciation.
*And premium on bond interest in 1932 and 1933.

Earns. per Share and Div. Record:

Pref.: Earned	$2.98	$0.55	$3.53

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com.	3.25	0.90	4	1¾	5½	1
Pref.	14¾	4	12	4	10¾	3¼

SUBURBAN RAPID TRANSIT
(Entirely owned by Winnipeg Electric)

Capitalization—	Authorized	Outstanding
Common	$100,000	$100,000

Par $100.
All owned by Winnipeg Electric.

Funded Debt—
1st mtge. bonds, 5 per cent, due 1938, issued $500,000. Guaranteed by Winnipeg Electric.

Officers and Directors—
Officers—E. Anderson, pres. and gen. mgr.; W. R. Bawlf, vice-pres.; W. E. Blodgett, compt.; L. Palk, sec.; J. S. Mackenzie, treas.
Directors—E. Anderson, W. R. Bawlf, W. H. Carter, N. J. Breen, J. B. Coyne, Winnipeg; J. B. Woodyatt, Montreal.

WINNIPEG, SELKIRK & LAKE WPG.
(Entirely owned by Winnipeg Electric)

Capitalization—	Authorized	Outstanding
Common	$490,000	$490,000
Par $100.		
Preferred	10,000	10,000

Practically all of the common owned by Winnipeg Electric Co.

Funded Debt—
1st mtge. bonds, 5 per cent, due 1933, outstanding $44,500. Guaranteed by Winnipeg Electric Co. Not paid at maturity July 2, 1933.

Officers and Directors—
Officers—E. Anderson, pres.; W. R. Bawlf, vice-pres.; W. E. Blodgett, treas.; L. Palk, sec.; J. S. Mackenzie, treas.
Directors—E. Anderson, W. R. Bawlf, N. J. Breen, W. J. Bulman, J. B. Coyne, Winnipeg; J. B. Woodyatt, Montreal.

Manitoba Power

Direct public investment interest in Manitoba Power Co. has been eliminated as a result of the reorganization of the parent company.

The plan of reorganization for Winnipeg Electric, which has been approved, involves the merging of all units, including Manitoba Power. Under the agreement Manitoba Power Co.'s 5½ per cent first mortgage bonds are to be exchanged for those of Winnipeg Electric new series A general mortgage bonds on a par for par basis and nine class A shares and $70 value of contingent certificates for each $1,000 of bonds exchanged.

The public have no interest in the common stock of Manitoba Power, practically all of which is owned by Winnipeg Electric Co.

Capitalization—	Authorized	Outstanding
Common	200,000 shs.	*150,000 shs.

No par value.
*Winnipeg Electric holds 90.6 per cent of the issue.

Funded Debt—
1st mtge. 5½ per cent bonds, series A, due 1951, outstanding $9,163,700.
1st mtge., 5½ per cent series B, due 1952, outstanding $2,358,000.
In addition $836,000 of series A and $142,000 of series B are held in the sinking fund.

Dividend Record—
Common—None at present. Last paid $1 Aug. 1, 1930.

Head Office—Winnipeg.

Officers and Directors—
Officers—E. Anderson, pres. and gen. mgr.; W. R. Bawlf, vice-pres.; W. E. Blodgett, treas.; L. Palk, sec.
Directors—E. Anderson, W. R. Bawlf, W. J. Bulman, J. B. Coyne, N. J. Breen, Winnipeg; A. J. Nesbitt, P. A. Thomson, J. B. Woodyatt, Montreal; S. L. Fuller, New York.
Bondholders Protective Committee—J. H. Lithgow, chm., R. S. Waldie and J. F. Weston, Toronto; H. L. Guy, Waterloo, Ont.; J. S. Aird, Montreal; H. E. Sellers, Winnipeg; William Ferguson, Arthur H. Gilbert and George de B. Greene, New York City.

Times All Int. Earn.:

Year End. Dec. 31:	1934	1933	1932
Before deprec.† ..	1.51	1.38	1.42
After deprec.	1.30	1.19	1.30

†Including premium on U. S. funds for bond interest.

Earnings per Share and Dividend Record:

Earned	$0.84	$0.39	$0.19

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	2½	1½	4	1¼	3½	3¼

Northwestern Power

With approval of Winnipeg Electric Co.'s financial reorganization, public investment interest in Northwestern Power passes out of existence

For each $1,000 bond of Northwestern Power Co. the holder will receive $400 principal amount of series A and $600 principal amount of series B general mortgage bonds of Winnipeg Electric, together with eight class A shares and $28 face value contingent certificates.

(Controlled by Winnipeg Electric)

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	250,000 shs.	250,000 shs.
Pref. 6%, par $100	$1,000,000	$1,000,000

The entire issue of preferred and 88 per cent of the common stock is owned by Winnipeg Electric Co.

Funded Debt—
1st mtge. bonds, series A, 6 per cent, due 1960, outstanding $10,000,000. Guaranteed by Winnipeg Electric Co. Interest in default.

Head Office—Winnipeg.

Officers and Directors—
Officers—E. Anderson, pres. and gen. mgr.; W. R. Bawlf, vice-pres.; W. E. Blodgett, treas.; L. Palk, sec.
Directors—E. Anderson, W. R. Bawlf, W. J. Bulman, J. B. Coyne, N. J. Breen, Winnipeg; A. J. Nesbitt, P. A. Thomson, J. B. Woodyatt, Montreal; S. L. Fuller, New York.
Bondholders' Committee—J. B. Woodyatt, (chairman), W. Wynne Robinson, Montreal; Glyn Osler, Toronto; J. J. Rudolph, W. Ferguson, A. H. Gilbert, G. deB. Greene, New York City; A. N. Drolet, Quebec City; S. Kilpatrick, London, Eng.; G. W. Mitchell, Ottawa.

Anglo-Can.

Control of National Taken Over by New Canadian Company in 1935

Anglo-Canadian Telephone Co. was brought into being less than a year ago to acquire control of the National Telephone and Telegraph Corp. In taking over National, Anglo-Canadian secured control of the British Columbia Telephone Co. and other operating properties in Canada, the Philippine Islands, Santo Domingo and other assets.

Through operation of subsidiary companies, Anglo-Canadian Telephone controls over 130,000 telephones, together with long distance toll and wireless services. The population in the territory served aggregates over 3,500,000.

Bonds in Hands of Public

As at the end of 1934 the funded debt of subsidiary companies outstanding in the hands of the public totalled $11.6 millions of bonds and notes issued by British Columbia Telephone, Telephone Investment Corp., and Philippine Co., including notes of the Philippine Co. for $1.5 millions, securing its indebtedness to B. C. Telephone Co.

Anglo Canadian's own capitalization consists of a seven per cent cumulative preference stock, class A and B shares and a deferred stock.

Earnings Move Up

Preliminary earnings statement of Anglo-Canadian for the six months ended June 30, 1935, showed net income of $307,000 or considerably more than half the $558,000 reported for all of 1934. Working capital at the end of last June was $2,390,000, compared with $2,521,000 at the end of 1934.

Capitalization—	Authorized $	Outstanding $
Pref., par $100 ..	5,000,000	3,300,000
Cl. A, $10 par ..	4,850,000	2,610,000
Cl. B, $10 par ..	4,650,000	3,591,000
Def. stk., $10 par	1,000,000	1,000,000

Funded Debt—
The company has no funded debt but subsidiary companies had outstanding, at Dec. 31, 1934, $11,609,000 of funded debt, of which $10,109,000 was held by the public and the balance held by an affiliated company.

Dividend Record—
Preferred—Initial dividend of 87½c. per share paid Aug. 1, 1935, and at that rate quarterly since.
Class A—Initial dividend of 12½c. per share paid Sept. 3, 1935, and at that rate quarterly since, an extra dividend of 5c. paid Dec. 31, 1935.
Class B—Initial dividend of 10c. per share, paid Sept. 3, 1935, 15c. paid Nov. 25, 1935.

Officers and Directors—
Officers—A. F. Adams, chm. of board; H. L. Gary, pres.; G. Farrell, vice-pres.; M. Lindsay, vice-pres.; F. S. Spring, compt.; E. G. Purdy, sec. and treas.
Directors—A. F. Adams, H. L. Gary, J. G. Crane, Kansas City, Mo.; G. Farrell, P. W. Evans, Vancouver; Maj. R. L. Benson, Viscount Hinchingbrooke, M. A. Colefax, E. E. Evans, Sir Alexander Roger, London, Eng.; M. Lindsay, F. H. Woods, E. C. Blomeyer, E. Swanson, T. S. Gary, F. H. Woods, Jr., Chicago, W. C. Pitfield, Hon. Gordon, W. Scott, J. C. Newman, Montreal.

Head Office—Montreal.

Market Record—

	1935 High	1935 Low
Preferred	52½	51

Ontario Hydro Power Loads Up

February Peaks 6.5 Per Cent Above Loads in 1935 Month

Peak loads of primary power in all systems of the Ontario Hydro continue to show pronounced gains over last year.

In February, 1936, primary power peaks were 6.5 per cent above peaks for the 1935 month.

Load of secondary power—surplus energy that is marketed at low rates—decreased in February. The reason, of course, is that the Ontario Hydro is no longer taking delivery of all power supplies under cancelled contracts with Quebec companies.

In Northern Ontario, the particularly sharp rise of power loads is attributable to increasing mining activity.

Hydro-Electric Power Commission of Ontario
Monthly Summary of Loads
Maximum 20 Minute Peak H.P.

Systems—	Feb. 1936	Feb. 1935	Incr. %
Primary Load:			
Niagara*	928,284	898,257	+ 3.3
Eastern Ontario..	100,952	95,529	+ 5.7
Georgian Bay ...	23,090	23,083	...
Thunder Bay	63,432	53,887	+17.7
Northern Ontario	81,881	53,281	+53.7
Total	1,197,639	1,124,037	+ 6.5

* Per cent increase for Niagara system does not show the true increase in demand for primary power because losses in February, 1936, were approximately 20,000 kilowatts less than in February 1935, due to an unusually economical division of load on transmission lines. Under same conditions as of 1935, the per cent increase would be about 6.3 per cent.

Primary and Secondary Loads:			
Niagara	1,115,818	1,266,219	—11.9
Eastern Ontario .	114,859	126,602	— 9.3
Georgian Bay ...	23,090	23,137	— .2
Thunder Bay	120,375	114,343	+ 5.3
Northern Ontario	147,431	112,128	+31.5
Total	1,521,573	1,642,429	— 7.4

Nanaimo-Duncan

Nanaimo-Duncan Utilities gross income for the last half of 1935 was $115,993, with $48,998 available for bond interest and depreciation. This would indicate that the financial statement for 1935 will show a maintenance of net income as compared with that reported in 1934. Expenses in the past year have been rather heavy, due to extension of distribution lines, the full benefit of which has not been reflected in operating revenue.

Last year this company carried out public financing in Canada through an offering of $450,000 of 5½ per cent first mortgage bonds. The company is a subsidiary of Canadian Public Service Corp., which was incorporated in June, 1934, to acquire the undertakings formerly operated by Nanaimo Electric Light, Power and Heating Co., and Duncan Utilities, former subsidiaries of Dominion Gas and Electric Co.

Operate on Vancouver Island

Nanaimo-Duncan operates two hydro-electric power plants and purchases power under contract from the Vancouver Island Power Co. The energy is distributed to a population of approximately 15,000 in the territory covering the east coast of Vancouver Island, between Cowichan and Parksville-Qualicum district.

NANAIMO-DUNCAN UTILITIES
(Controlled by West Canadian Hydro-Electric Corp.)

Capitalization—	Authorized	Outstanding
Com., n.p.v...	25,000 shs.	†25,000 shs.
Pref., par $50.	$400,000	$400,000

†65% held by parent company.

Funded Debt—
1st mtge. 5½% bonds, due 1964, outstanding $450,000. S. F. debs. 6% of City of Duncan assumed by the company, due 1937 and 1953, outstanding $60,979.

Dividend Record—
Preference—6½ per cent ($3.25 per share) per annum, cumulative. Initial dividend of $0.54166 paid Dec. 1, 1934; $0.81¼ paid Mar. 1, 1935; regular quarterly payments since.
Dates payable (approx.)—March, June, Sept. and Dec. 1.
Common—Interim dividends of $0.25 paid April 1, and Oct. 1, 1935.

Head Office—Vancouver.

Officers and Directors—
Officers—Brig.-Gen. J. A. Clark, pres.; W. P. McDonald, mgr.
Directors — Brig.-Gen. J. A. Clark, J. Fyfe-Smith, W. B. W. McIntosh, G. Kidd, R. H. Tupper, R. C. Buchanan, Stanley Burke, all of Vancouver.

11 Mos. End. June 30, 1935:

Times All Interest Earned:

Before depreciation	3.99
After depreciation	3.18

Earnings Per Share and Dividend Record:

Preference: Earned	$5.61
Paid	2.1666
Common: Earned	1.12
Paid	0.25

Maclaren

Revenue from New Hydro Contract Covers Interest Charges

Maclaren-Quebec Power Co. has been successful in securing a new contract from the Ontario Hydro-Electric Power Commission, covering delivery of 40,000 h.p. at a rate of $12.50 a h.p. While the amount of power and revenue under the new contract is considerably less than that which was called for under the old agreement, it is anticipated that the company will have sufficient income to take care of the obligations in connection with its funded debt.

Operations of the Maclaren-Quebec Power are tied in with the scheme of the Maclaren Power and Paper Co., which, in addition to the power enterprise, controls the James Maclaren Co., operators of extentive timber limits and pulp and paper properties. Neither of the operating subsidiaries publish separate financial statements, so that the financial progress of the power company can only be judged from the report of the holding concern.

Cover Bond Interest

Last year Maclaren Power and Paper Co. had a gross revenue of $1,240,899. This represents a slight increase over that reported in the previous year. After providing for slightly higher depreciation charge, the net revenue was sufficient to take care of interest charges.

Following the issue of an additional $6 millions of bonds of Maclaren-Quebec Power Co. during the past year, the working capital position of Maclaren Power and Paper was considerably improved. Excess of current liabilities over current assets was reduced from $7.2 millions to $2 millions.

Capitalization—	Authorized	Outstanding
Common, n.p.v.	250,000 shs.	50,000 shs.

Entirely owned by Maclaren Power & Paper Co.

Funded Debt—
1st mtge. series A, 5½%, due 1961, outstanding $12,000,000.
5½%, series B, due 1964, $6,000,000.

Head Office—Buckingham, Que.

Officers and Directors—
Officers—Albert Maclaren, pres.; Alexander Maclaren, vice-pres.; J. A. Bryant, sec.; J. T. Black, treas.
Directors—Albert Maclaren, Alexander Maclaren, R. M. Kenny, T. F. Kenny, C. H. Maclaren.

Can. Western

Canadian Western Natural Gas, Light, Heat and Power Co. had higher sales of gas in 1935. Its working capital position improved. Higher taxes and higher cost of doing greater business, reduced net earnings to almost the point of 1934.

The company is using considerable waste gas from the Turner Valley field to repressure the Bow Island field. On account of the great waste of natural gas now going forward which it is impossible for the market to use, the company fears that it will have to make further efforts much sooner than was originally expected to get other sources of supply. It is therefore conserving resources to a considerable extent.

CAN. WESTERN NATURAL GAS
(Controlled by Dominion Gas & Electric)

Capitalization—	Authorized	Outstanding
Ord., par $100 ..	*$8,000,000	$8,000,000
Pref., par $100 .	4,000,000	†3,500,000

*Over 94 per cent owned by Dominion Gas & Electric Co.
†Of which 4,265 shares have been redeemed and cancelled through the operation of the capital redemption reserve fund.

Dividend Record—
Preferred—6 per cent per annum cumulative participating, payable Mar., June, Sept. and Dec. 1; paid regularly.
Ordinary—No set rate; payments now made at irregular intervals. $2 paid Jan 1933 (of which $1 was declared Dec. 1932); $2 paid June 1933; $1 paid March, 1934; $1 Feb., 1935.
Officers—H. R. Milner, pres. and man. dir.; E. W. Bowness, vice-pres.; P. D. Mellon, supt. and chief eng.; H. S. Watts, sec.-treas.
Directors—H. R. Milner, Julian Garrett, Edmonton; P. D. Mellon, H. S Watts, S. E. Slipper, E. W. Bowness, Calgary; A. G. Baalim, Lethbridge; F. W. Seymour, P. M. Chandler, New York.

Times All Interest Earned:

	1935	1934	1933
Before deprec., bad debts & amort.	*71.78	*62.13	43.18
After deprec., bad debts & amort.	*59.47	*51.26	33.10

*After interest on accumulated amortization reserve.

Earnings Per Share and Dividend Record:

	1935	1934	1933
Pref.: Earned	$17.34	$14.47	$15.29
Paid	6.00	6.00	6.00
Ordinary: Earned	4.22	3.41	3.69
Paid	3.00	2.00	3.00

Brazilian Traction

Huge Canadian Enterprise in Brazil Continues Operating Efficiency — Negotiating New Rate Structures — Hampered by Exchange Difficulties

Monthly reports of Brazilian Traction, Light and Power Co. for 1935 show gross earnings lower than in 1934. Net earnings, however, show a slight advance as a result of various economies.

The various new rate agreements which have to be arranged by subsidiaries as a result of the Vargas gold decree, have not yet been concluded. They are a major uncertainty in the situation until agreement is finally reached in all cases. Whatever arrangement is made it means the shareholders will in future be absolutely dependent upon exchange conditions for dividends. Previously when rates could be levied on a gold basis there was a hope that cash dividends would be available, however the milreis might be depreciated, as soon as exchange was available.

Hope of a better situation with regard to exchange has been stimulated by the efforts of the Brazilian government to make agreements with Great Britain and the United States regarding frozen commercial credits.

Business and industry have been on a high level in Brazil but the favorable balance of foreign trade is not yet enough to give hopes of an early resumption of cash dividends on a permanent basis. Not only have frozen commercial credits to be liquidated but all government needs to pay interest in London and elsewhere will have to be looked after in foreign exchange before it is likely there will be consent to allowing funds to leave Brazil in payment of dividends. The company, however, has been able to get funds out of Brazil for refunding and for payment of maturing bonds when they do mature.

In the final analysis stability and freedom of exchange will depend on recovery in coffee prices. The government is proceeding steadily in its coffee-burning programme in the hope of improving that situation.

The company is well administered and strong financially.

Capitalization—	Authorized	Outstanding
Ord., n.p.v. ..	*7,600,000 sh.	7,027,856 sh.
Pref., par $100	$10,000,000	$393,400

*Authorization of ordinary shares subject to increase up to a total of 7,933,333 shares by conversion of preference shares.

Funded Debt of Subsidiaries—

Rio de Janeiro Tram., Light, Pr., 5% mtg., due 1958	$18,084,281
5% 22-yr. bonds, due 1950	1,318,205
Jardim Botanico Tramways, 5%, 1st mtg., due 1951......	£1,400,000
Sao Paulo Tram., Light, Pwr. Perp. cons. deb. stk., 5% ..	3,999,996
Sao Paulo Electric, 1st mtg. bds., due 1962	9,733,333
Brazilian Telephone, 6% 1st mtg., due 1949	7,500,000
City of Santos Improvements, 5% debs., due 1938	163,033

Dividend Record—
Preferred—6% per annum, cumulative, payable quarterly, Jan., Apr., July, Oct. 1.
Ordinary—None at present. In 1930, due to exchange situation in Brazil, company instituted payment of stock dividends in lieu of cash. Stock dividend of 1% was paid March 1, 1930, in addition to 50c cash dividend; cash dividends of 50c paid June and Sept. 1, 1930; 2% stock dividend Dec. 1, 1930, and March and June 1, 1931; cash dividends of 25c Sept. and Dec. 1, 1931, and March 1, 1932; stock dividend of 2% June 1 and Sept. 1, 1932; no cash or stock payments since.

Head Office—Toronto.

Officers — Miller Lash, pres.; H. H. Couzens, executive vice-pres. in Brazil; E. R. Wood, R. C. Brown, H. M. Hubbard, A. W. K. Billings, Walter Gow, vice-presidents; A. W. Adams, sec. and treas., Toronto; asst. secretaries: D. H. Cromar, Toronto; W. D. Hooper, London.
Directors—D. B. Hanna, Miller Lash, Sir John Aird, Rt. Hon. Sir T. White, R. C. Brown, C. D. Magee, Toronto; Sir Alex. Mackenzie, H. M. Hubbard, A. P. Holt, London, Eng.; A. W. K. Billings, H. H. Couzens, Rio de Janeiro; J. W. McConnell, Montreal; E. R. Wood, Walter Gow, S. G. Crowell, Toronto.

Earnings per Share and Dividend Record:

	1934	1933	1932
Pref.: Earn.....	$924.12	$871.62	$1,331.84
Paid	6.00	6.00	6.00
Com.: Earned..	0.51	0.46	0.74
Paid	nil	nil	25c+4%*

*Stock dividend.

Earnings—
12 mos. end. Dec. 31:

	1935 $	1934 $	Increase $
Gr. earn....	30,221,757	30,692,415	*470,658
Oper. exps.	14,144,485	14,616,593	*472,108
Net earn.	16,077,272	16,075,822	1,450

*Decrease.

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Ord'y	10⅛	7⅛	14⅝	7½	19	7

E. Kootenay Power

Net earnings of the East Kootenay Power Co., controlled by Power Corp. of Canada, at $249,372 for the ten months ended January 31, show an increase of 5.18 per cent over the corresponding period of the previous year. This is a more encouraging showing than has been made by the company for some time, and is taken to reflect an increase in mining operations in the territory served by the company.

For years East Kootenay Power has not done much better than earn its operating expenses and interest charges. The latter includes interest on substantial advances made to the company by Power Corp. of Canada. At the end of March 31, 1935, Power Corp.'s advances totalled $2.1 millions consisting of demand notes and current accounts payable.

The excess of current liabilities over current assets remains much the same as just under $2.1 millions.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	50,000 shs.	30,000 shs.
Pref., par $100 ..	$5,000,000	$1,000,000

Funded Debt—

Mtges., S. F. 7 per cent bonds, series A, due 1942	$1,801,000
7 per cent bonds, series B, due 1942	276,000

Dividend Record—
Preferred—Entitled to $7 per annum, cumulative, payable quarterly, March, June, Sept. and Dec. 15. Paid regularly to and including Mar. 15, 1932; none since.
Common—None.

Head Office—Fernie, B.C.

Officers and Directors—
Officers—A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; A. B. Sanborn, gen. mgr., Fernie, B.C.; L. C. Haskell, sec.; V. J. Nixon, asst. sec.; C. Johnstone, treas.; T. Irving, asst. treas., Montreal; U. K. Colton, asst. sec.-treas., Fernie, B.C.
Directors—A. J. Nesbitt, L. C. Haskell, Hon. G. W. Scott, E. R. Parkins, P. A. Thomson, J. B. Woodyatt, Montreal; A. B. Sanborn, Fernie, B.C.

Years End. Mar. 31:	1935	1934	1933
Times Interest Earned:			
Before deprec.	0.99	0.96	1.00
Earnings per Share and Dividend Record:			
Pref.: Earned	nil	nil	$0.03

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Pref. ..	14	5	7	3	..	..
Com. ..	2½	½	3	3	3	3

Churchill River Power

The Churchill River Power Co. operates a power plant on the Churchill River in Saskatchewan. It is wholly owned by Hudson Bay Mining and Smelting Co.

The development is at Island Falls, 58 miles North of Flin Flon. Operation was started in 1930, and the five units have a total capacity of 44,500 h.p.

Power Export by License

Electricity is exported from Canada only by license granted by the Electricity and Gas Inspection Service of the Department of Trade and Commerce. The same department has jurisdiction over the export duty which has been imposed since April 1, 1925. During the fiscal year ended March 31, 1935, the export duty amounted to $205,872 as against $244,474 for the previous year. The rate is three one-hundredths of one cent per kw.h. on electric energy exported with certain export restrictions.

To Public Utilities and other buyers of

Power Apparatus

Quotations and information on all the lines listed below gladly given. Let us quote you.

A Complete Line of Wires and Cables *and the following other products:* Pole Line Supplies of all types

CUTLER-HAMMER, Inc.
Motor Controls, Clutch Products.
CONDIT ELECTRIC MFG. CORP.
Oil Circuit Breakers.
FERRANTI ELECTRIC LTD.
Transformers, Surge Absorbers, Etc.
J. P. TUBULAR HEATER CO.
Electric Heating Systems.
A. REYROLLE & CO. LIMITED
Metal Clad Switchgear.
N. SLATER CO. LIMITED—E.E.E. Co.
Cutouts and Disconnects.
TELEGRAPH CONDENSER CO.
Power Static Condensers.
WESTON ELECTRICAL INSTRUMENT CORP.
Indicating Instruments of all kinds. Radio Test Equipment.
MATHER & PLATT LTD.
Motors and Generators, All Types, A.C. and D.C.
Complete line of Centrifugal Pumps.
SANGAMO COMPANY LIMITED
Watt-hour Meters. Peak Load Controllers, Etc.
ILG ELECTRIC VENTILATING CO.
Ventilating Fans and Blowers.
HEWITTIC ELECTRIC CO.
Rectifiers. (Glass Bulb).

Northern Electric COMPANY LIMITED
A NATIONAL ELECTRICAL SERVICE

SAINT JOHN, N.B. QUEBEC OTTAWA HAMILTON WINDSOR SUDBURY WINNIPEG CALGARY VANCOUVER
HALIFAX MONTREAL TORONTO LONDON NEW LISKEARD PORT ARTHUR REGINA EDMONTON VICTORIA

A Quarter Century of Service — 1911-1936

¶ Twenty-five years ago this company was organized. In the cities of Calgary and Lethbridge 2,900 homes were served with natural gas.

¶ Today 23,500 homes, commercial buildings and industries are served in these cities and 15 small towns adjacent to the right of way.

¶ Through the intervening years, the services to the consumer have been greatly enlarged and improved. The transportation and distributing systems have been maintained at maximum efficiency and are today so constructed and organized that only a major catastrophe could interrupt the service.

¶ Ever alert to the needs of the moment, yet with a watchful eye on the requirements of tomorrow, this Company completes its twenty-five years of service more soundly entrenched than ever in the goodwill of the public it serves.

●

The Canadian Western Natural Gas, Light, Heat and Power Co., Limited

Subsidiary of Dominion Gas and Electric Co.

Dom. Gas & Electric

Continued Process in 1935 of Revamping Capital Structures of Important Western Natural Gas Subsidiaries

Dominion Gas and Electric Co., controlled by International Utilities Corp., continued during 1935 to recast the capital structure of its subsidiaries.

Under the plan of reorganization which became effective August 1, 1933, the parent company's capital structure was changed materially to what is shown below. Important amendments were then made to the indentures securing its own bonds so as to provide for the right of subsidiary companies to issue and sell their first mortgage bonds and other securities to the public. Under the original indenture subsidiary companies were required to pledge any securities issued as security for Dominion Gas and Electric bonds. It was also provided that first mortgage bonds of subsidiary companies could be released by the trustee in exchange for new first mortgage bonds.

In 1934 the Nanaimo Electric Light, Power and Heating Co. and Duncan Utilities were sold. Out of the proceeds the bank loan of Canadian Utilities was paid and $636,000 principal amount of collateral trust gold bonds 6½ per cent series retired. Toward the end of 1935 Canadian Utilities offering of 5 per cent Series A bonds to the amount of $2.5 millions was taken up. Canadian Utilities and Union Power Co., both subsidiaries of Dominion Gas and Electric Co., were merged. Former bond issues of both merged companies were retired. They had been paying 6½ per cent, and a saving therefore was made in interest.

The refunding operation of North-Western Utilities Ltd., the large subsidiary operating in the natural gas business to serve Edmonton, was begun in 1934 and completed in 1935. The new bonds pay 7 per cent, to June 1, 1933, just as the old bonds did, and 6 per cent thereafter until maturity of the bonds. The company's situation has been relieved by a smaller annual burden to meet requirements for sinking fund, however. It was stated that recent geological study has shown that the reserve supply of natural gas of North-Western Utilities is good for a long period of years, and that a smaller sinking fund would be ample.

At the session of the provincial legislature in February, 1935, the gas franchise for the city of Edmonton held by North-Western Utilities was extended for ten years. After November, 1945, the franchise will be non-exclusive and then the company will be relieved of its obligation to pay 5 per cent of the revenue derived from the sale of gas to the city.

Higher sales of gas occurred during 1935. The statement of the Calgary subsidiary, Canadian Western Natural Gas, shows higher sales of gas and great improvement in working capital position. The North-Western Utilities report, when it comes, is expected to show a similar position.

Capitalization—	Authorized	Outstanding
Pref., n.p.v.	50,000 sh.	25,000 sh.
Com., n.p.v. ...	600,000 sh.	†156,428 sh.

†In addition, warrants outstanding to purchase 95,460 common shares; 150,000 shares reserved for conversion of preferred; 240 shares held in treasury.

Funded Debt—
Collateral trust 6½ per cent gold bonds, due 1945, outstanding $6,364,000.

Dividends—
Preferred: Entitled to $7 per share per annum; none paid.
Common: None paid.

Head Office—Philadelphia.

Officers and Directors—
Officers — P. M. Chandler, chm. of board; H. R. Milner, pres.; Wiley F. Corl, H. Williams, Jr., E. W. Bowness, vice-pres's.; A. D. McNab, sec.; E. M. Butler, treas.
Directors—R. P. Buell, P. M. Chandler, L. A. Eddy, Hamilton Pell, F. W. Seymour, Alva F. Traver and A. D. McNab, New York; Wiley F. Corl, Philadelphia; H. R. Milner, Calgary.

Times Fixed Charges Earned:*	1934	1933	1932
Before deprec. ..	$2.21	$1.85	$1.48
After deprec. ...	1.12	1.10	0.87

*Fixed charges of Dominion Gas and Electric after deduction of prior charges of subsidiaries.

Earnings Per Share:			
Pref. (new stock)	$2.23	$2.99	...

N. W. Utilities

Serves Edmonton and Vicinity — Refunds Old Bonds

North Western Utilities, Ltd., subsidiary of Dominion Gas & Electric Co., supplies natural gas to the city of Edmonton and a number of adjacent communities. It produces the gas principally from its own wells in the Viking gas field and distributes the gas through its own system of pipe lines. Its franchise has been extended for ten years, after which it becomes non-exclusive.

The Viking field had an estimated original content of 60 billion cubic feet of gas and covers a proven area of 22 square miles. The company has leased about half of this. It also owns and controls leases of 50,000 acres in the Kinsella field. The 7 per cent bonds have been refunded, and the new bonds do not require so heavy annual sinking fund payments.

NORTHWESTERN UTILITIES

Capitalization—	Authorized	Outstanding
Common	60,000 shs.	60,000 shs.
No par value.		
Pref. cum. 8%†	$1,500,000	$1,500,000
Prior pref. 6%	1,000,000	*875,400
Par $100.		

All common owned by Edmonton Utilities Limited.

†14,954 shares owned by Dominion Gas and Electric Co., of which 14,933 are deposited as security for its 6½ per cent collateral gold bonds.

*760 shares owned by Dominion Gas and Electric and 1,046 by other subsidiaries.

Funded Debt—
1st mtge. refunding bonds, series A, due 1949, 7 per cent to and including payment due June 1, 1938; 6 per cent thereafter to maturity, issued $2,231,100 3-year 7 per cent notes, due 1937, issued $250,000.

Dividend Record—
Prior preference—6 per cent cumulative, payable Mar., June, Sept., Dec. 1. Paid regularly.

Officers and Directors—
Officers—H. R. Milner, pres. and man. dir.; Alva F. Traver, vice-pres.; J. Garrett, mgr. and sec.-treas.; J. P. Reilly, asst. sec.-treas.; J. T. Robertson, asst. sec.-treas.
Directors—F. W. Seymour, chm. of the board, Battle Creek, Mich.; Alva F. Traver, J. P. Reilly, New York; A. H. Gilmour, Winnipeg; H. R. Milner, J. Garrett, Edmonton; H. S. Watts, E. W. Bowness, P. D. Mellon, H S. Tims, Calgary.

Times All Interest Earned:‡	1934	1933	1922
Before amort. ...	$3.18	$2.62	$2.69
After amort.	2.52	1.62	1.85

‡Based on the net revenue from the gas department less the cost of production, etc.

Earnings per Share and Dividend Record:			
Prior pref.‡ Earn.	$2.20	$14.54	$22.15
Paid	6.00	6.00	6.00

Int. Utilities

Holds One-third of Its Investments in Western Canada

International Utilities Corp., which is a Maryland incorporation, operates as a holding and investment company. One-third of its holdings are in Canada held by the subsidiary, the Dominion Gas and Electric Co., which it controls.

The combined investments of the company amount to $14.6 millions and include $1.2 millions in marketable securities, $5.2 millions in securities of and advances to General Water, Gas and Electric Co. and subsidiaries, $5.1 millions in securities of and advances to Dominion Gas and Electric Co., and subsidiaries and $1 million in securities and advances to other controlled utility companies. It has other investments of $1.1 million as well.

The company was reported in 1934 to be devoting a good deal of current earnings to improving the position of the various subsidiaries.

Capitalization—	Outstanding
Prior pref. 7% n.p.v.	20,603 shs.
Prior pref. $3.50 ser. 1931	108,837.46 shs.
Pf., $1.75 ser. 1931, n.p.v.	94,704.84 shs.
Class A, n.p.v.	124,062 shs.
Class B, par $1	1,229,890.5 shs.

Dividend Record—
Prior Preferred, $7 Initial Series—$7 per share per annum, cumulative, payable Feb., May, Aug. and Nov. 1 in U. S. funds. Paid regularly at $7 rate up to and including Nov. 1, 1933. Reduced to $3.50 per annum Feb., 1934. Increased to $5 per annum Nov. 1, 1935; and to $6 per annum Feb., 1936.
Prior Preferred, $3.50 Series 1931—$3.50 per share per annum,(cumulative, payable Feb., May, Aug. and Nov. 1 in U. S. funds. Initial dividend paid Nov. 1, 1931. Paid regularly at $3.50 per annum rate up to and including Nov. 1, 1933. Reduced to $1.75 per annum Feb., 1934. Increased to $2.50 per annum Nov., 1935, and to $3 per annum Feb., 1936.
Preferred, $1.75—1931 series, payable quarterly, Jan., Apr., July and Oct. 15. Payment due Oct. 15, 1933, deferred; none paid since.
Class A Common—None at present. Last paid 87½c. Oct. 15, 1931.

Head Office—New York.

Officers—P. M. Chandler, pres. and chm.; Wiley F. Corl, A. D. McNab, vice-pres.; T. L. Russell, sec.; H. Williams, Jr., treas.; H. D. Brown, Jr., E. M. Butler, asst. sec. and asst. treas.; Robert Leonard, asst. sec.; A. O. Minnich, asst. to pres.
Directors—P. M. Chandler, E. Uehlinger, E. W. McMahon, H. Williams, Jr., A. D. McNab, R. P. Buell, New York; Robert M. Boyd, Jr., Montclair, N.J.; W. H. Despard, Toronto; R. E. Wilsey, Chicago, Ill.

Earnings per Share and Div. Record:	1934	1933	1932
$7 pr. pf.: Earn.	$6.52	$10.44	$9.44
Paid	3.50	7.00	7.00
$3.50 prior pref.:			
Earned	3.26	5.22	4.72
Paid	1.75	3.50	3.50
$1.75 pf.: Earn.	nil	2.69	1.91
Paid	nil	0.87½	1.75
Cl. A: Earned .	nil	0.58	0.13

Market Record—	1935		1934		1933	
	H	L	H	L	H	L
Cl. A	4½	1¼	6½	1½	13½	3
Cl. B	.85	.25	1.50	.25	4.12	.55

Dominion Electric

Dominion Electric Power Co. has become of public investment interest since the flotation of two security issues last year. The first was an offering of $850,000 of first mortgage bonds and the second $200,000 of of debentures.

Operations are centred around Estevan, Sask., and the company furnishes electricity without competition direct and through other agencies to 38 communities in Saskatchewan serving over 5,000 customers.

The financial statement for 1935 is not available. Gross income, however, has shown a tendency to increase and net earnings for 1934 at $157,435 were slightly greater than in the preceding year. Expectations are that the statement for the past year will show a further moderate gain in earnings.

Capitalization—	Authorized	Outstanding
Common	$1,187,700	$700,000
Pref. cum. 6% ..	500,000	493,600
Par $100.		

Funded Debt—	Outstanding
1st mtge. 5½%, due 1955	$850,000
Municipal debs., assumed	17,560
6½% debs., due 1950	200,000
6% income debs., due 1956	110,000

Vice-pres.—Walter H. Schlosser.

Consolidated Earnings—Dominion Electric Power, and wholly owned subsidiary, Biggar Electric:

Year	Gross Earn. $	Oper. Exps. $	Net Earn. $	Deprec. $
1930	416,121	243,201	172,920	32,881
1931	405,304	233,887	171,416	25,471
1932	376,886	215,068	161,817	21,077
1933	359,595	204,729	154,866	66,384
1934	361,150	203,715	157,435	*62,074

*Includes $24,136 additional plant retirement expense.

BROWNE, URQUHART
& CO., LIMITED
Investment Dealers
Specializing in Public Utility Securities
266 ST. JAMES ST. WEST HARBOUR 2111*
MONTREAL

Car Systems Hold Position

Operators Still Contending With Old Problem of Light Traffic

Tramway operations in Canada did not show any material improvement in the past twelve months. While the outlook is more encouraging, still forecasts for 1936 do not indicate any appreciable change either in the volume of traffic or earnings.

Conditions which militate against the more profitable operation of tram systems remain the same—widespread use of automobile and the below-normal volume of industrial operations. There are other contributing factors such as growing taxation and political interference, but the first two are of paramount importance.

Use More Buses

The use of automobiles is a state of affairs over which the tramways have no control. Yet many of the systems compete for this type of business through the use of buses as "feeders." In some cities buses have been used on main lines. Generally speaking, however, the tram systems in this country have been inclined to look on their buses as feeders to the main tram lines.

The tendency is to use a greater number of buses. The financial returns have not been as satisfactory as they might be considering the capital employed, operating and maintenance costs, etc., but their value as a transportation unit has come to be widely recognized.

Try Trackless Trolley Bus

This year Montreal Tramways Co. will try out a new experiment, which will be watched with considerable interest by systems in other parts of the country. Orders have been placed for trackless trolley buses. These machines have great mobility and may prove a valuable adjunct to the present forms of transportation. And in time, possibly, may replace tram routes in the more densely populated areas.

Idle Plants Hit Traffic

For several years the number of passengers carried by the tram systems have shown a steady decline. The use of the private automobile is generally given as the cause for this drop, but a more important reason is the decline in industrial operations. When plants are in operation, the volume of traffic moves up sharply. This has been the case in the past 18 months with industrial operations on a larger scale. However, activity in the heavy industries is still below normal, so that tram traffic is likely to remain at a relatively low point until industrial operations become more pronounced.

Economies Are Opposed

In order to meet the decline in traffic during recent years, the tram systems have put into effect a number of economies. Ofttimes these economies have been opposed on political grounds, so that the systems have not been able to lower expenditures to a minimum consistent with good service. In the Montreal area, the use of one-man cars has been extended with a saving in the neighborhood of $500,000 annually. During 1935 the proportion of total mileage covered by one-man cars was 33.1 per cent. In Toronto the proportion was 53.43 per cent, and in Ottawa 100 per cent.

Fare Situation Quiet

There has been little agitation for increased fares of late. Though tramway systems are entitled to a fair return on their capital, and when this is not earned, have the right to a higher fare, public and political opposition has made it inadvisable to seek an adjustment of rates. Winnipeg Electric battled unsuccessfully to secure a higher fare. In Montreal a moderate increase in fares would go a long way toward solving the financial problems of the Montreal Tramways Commission, but opposition is too strong. Many of the municipal systems also would like to bolster their income by higher fares, but such a proposal would be inexpedient politically and, therefore, has been shelved.

Avalon Telephone

Moderate Gain in Profits Expected on 1935 Operations

Avalon Telephone Co., St. John's, Nfld., maintained operations and earnings during the past year. The number of telephones installed on the system shows a slight gain, while the volume of long distance toll traffic was much the same as in 1934. Particulars as to earnings will not be available until the publication of the annual report, some time in May.

On its 1934 operations, the company showed bond interest earned 2.80 times before depreciation and 2.30 times after depreciation. Earnings on the preference stock amounted to $3.13 a share and on the common stock $2.34. Annual payments on each class of stock amounted to $1.75 a share.

Properties operated by Avalon Telephone consist of a telephone exchange at St. John's and trunk lines to 20 exchanges within a radius of 100 miles. The population served numbers 100,000 and the capacity of the company's system is 10,000 telephones, of which 7,100 are in use at present. During 1934 there was a gain of 28 stations. The figures for 1935 are expected to show a further small increase.

Capitalization—	Authorized	Outstanding
Common	$300,000	$236,350
Pref. non-cum. 7%	400,000	400,000
Par $25.		

Funded Debt—
First mortgage bonds, series A, 5½ per cent, due 1948, $725,500.

Dividend Record—
Preference—7 per cent, payable half-yearly, Jan. and July 1.
Common—7 per cent per annum, payable annually, usually in March or April.

Head Office—St. John's Newfoundland.

Officers and Directors—
Officers—Hon. J. J. Murphy, pres.; R. J. Murphy, vice-pres. and man. dir.; J. D. Cameron, sec.-treas.; J. Healy, supt.; S. H. Morris, office manager.
Directors—Hon. J. J. Murphy, R. J. Murphy, J. D. Cameron, G. Brownrigg, M. E. Martin, A. E. Hickman, St. John's, Newfoundland; J. H. Winfield, Halifax, N.S.

Times Bond Interest Earned:	1934	1933	1932
Before deprec. ...	2.80	3.06	3.00
After deprec.	2.30	2.32	2.27
Earnings per Share and Dividend Record:			
Pref.: Earned ...	$3.13	$3.17	$3.07
Paid	1.75	1.75	1.75
Com.: Earned ...	2.34	2.40	2.33
Paid	1.75	1.75	1.75

West Kootenay

Private Refunding Cuts Out Public Interest — New Plant Under Way

West Kootenay Power and Light Co., subsidiary of Consolidated Mining and Smelting Co. of Canada, redeemed at the beginning of this month all of its first mortgage Series A bonds at a premium of 4 per cent. According to the 1934 financial statement, there were outstanding $6.3 millions of these bonds, which constitute the entire public investment interest in the company.

No new public financing was undertaken to refund these bonds. However, a new bond issue was floated, the whole being taken up by the Sun Life Assurance Co. of Canada at a lower rate of interest.

Start New Development

This year the company is proceeding with the preliminary work on the Pend Oreille hydro-electric scheme in southeastern British Columbia. The programme calls for the removal of the overburden on the dam site chosen for the development on the river, a short distance from its junction with the Columbia. Before the depression interfered with development work, the company had conducted extensive borings to discover suitable site for a dam which would impound the waters of Pend Oreille. The site has been determined, but at this point, bed rock, on which the dam must be built, is hidden under a heavy layer of earth and gravel which must be removed.

The Pend Oreille development is planned largely to supply the power which Consolidated Smelters will need as it expands present operations. Eventually the company hopes to secure nearly 200,000 h.p. from the new plant, which will be one of the largest in the province.

Working closely with the parent company, West Kootneay Power has always managed to keep power supply ahead of requirements at the Trail plant. It has harnessed virtually all the power east of the Kootenay River and now has to move farther afield to develop the Pend Oreille.

Capitalization—	Authorized	Outstanding
Com., par $10 ..	$14,500,000	$6,112,000
Pref., par $100 .	500,000	500,000

Entire common stock owned by Consolidated Mining & Smelting Co.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable 1st Jan., April, July and Oct.; paid regularly.
Common—10 per cent paid in 1932; 5 per cent in 1934.

Head Office—Trail, B.C.

Officers and Directors—
Officers—J. J. Warren, pres. and man. dir.; L. A. Campbell, vice-pres. and gen. mgr.; F. E. McNally, sec.-treas., Montreal; C. B. Smith, asst. sec.-treas., Rossland, B.C.
Directors—J. J. Warren, Sir E. W. Beatty, Sir Herbert S. Holt, G. F. Benson, E. B. Hosmer, Rt. Hon. Lord Shaughnessy, Montreal; L. A. Campbell, Rossland, B.C.

Years End. Dec. 31:	1934	1933	1932
Times Bond Interest Earned:			
Before any deprec.	7.39	4.42	4.03
After all deprec. .	4.33	1.91	1.87
Earn. per Share and Div. Record:			
Pref.: Earned ..	$152.01	$40.75	$39.96
Paid	7.00	7.00	7.00
Com.: Earned† ..	11.86	2.76	2.70
Paid	5.00	nil	10.00

†Based on surplus for year [illegible]

Market Record—	1935		1934	
	H	L	H	L
Preferred	120	120	100	100

N. B. Power

Purchase Option Given to Saint John at $3¼ Millions

New Brunswick Power Co. has given a purchase option to the City of Saint John to acquire properties of the company for $3¼ millions.

Toward the end of last summer the New Brunswick Power informed the city that the operation of the two electrical systems, its own and the city's—in the municipality—was uneconomic and that if the company were to continue in business, it would be necessary to make further capital expenditures. A suggestion was made that the city should take over the company's properties and in the event of failure to make the deal, New Brunswick Power proposed to make an offer for the civic system.

Plans were then made by the city to audit the books of the company. The next development took place this month when the company offered to sell its assets to the city and gave a purchase option of $3¼ millions.

Bonds Due Shortly

One of the problems confronting New Brunswick Power Co. has to do with its funded debt. At the end of 1934 the company had outstanding approximately $1.7 millions of 5 per cent first mortgage bonds. These bonds mature March, 1937, and the negotiations with the city will have a considerable bearing as to what steps will be taken to liquidate the bonded debt.

In addition to the bonds, the company has received advances of around $1.9 million from the parent company, Federal Light and Traction.

While the financial statement of the company for 1935 has not been released, it is understood that revenues were somewhat larger than in the preceding year. The street railway department held its own, while the power and light service made a better showing than in 1934.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	20,000 sh.	20,000 sh.
1st pref. cum. 7%	$3,500,000	$1,000,000
2nd pf. 7% cum.	1,500,000	350,000
Par $100.		
Funded Debt—		
First gold 5% bonds, due 1937	$5,000,000	$1,677,063

Dividend Record—
1st Preferred—Entitled to 7 per cent per annum, payable quarterly, March, June, Sept. and Dec. 1. Paid at rate of 4% from Mar. 1, 1927 to Dec. 1, 1931; none since.
2nd Preferred—None at present. Entitled to 7 per cent cumulative from Dec. 1, 1922, payable March, June, Sept. and Dec. 1. 7 per cent paid in 1918, 1¾ per cent in 1919 and 1920; none since.
Common—None paid.

Head Office—Saint John, N.B.

Officers and Directors—
Officers—C. H. Nichols, pres.; W. P. Southard, vice-pres. and gen. mgr.; J. A. Olive, sec.-treas.; H. G. Townsend, asst. sec.-treas.
Directors—C. H. Nichols, New York; W. C. Allison, W. E. Golding, Lt.-Col. J. L. McAvity, A. P. Paterson, R. Sullivan, W. P. Southard, J. G. Harrison, James MacMurray, W. E. Scully, Saint John, N.B.; L. C. Gerry, Providence, R.I.

Times Bond Interest Earned—			
Years End. Dec. 31:	1934	1933	1932
Before deprec.* ..	0.90	0.82	0.88
After deprec.* ..	0.90	0.77	0.81

*Including other interest and discount.

Newsprint Demands Grow

One of the factors in the rapid rise in the consumption of firm power has been the improvement in the pulp and paper industry which uses enormous quantities of hydro-electric power.

Serving Nova Scotia

Dependable Progressive Service

Nova Scotia Light and Power Company, Limited, serves the city of Halifax with electric energy, tramway transportation and gas.

In addition, either directly or through subsidiaries it supplies electricity in half the counties of Nova Scotia.

This Company invites the further use of its facilities for industrial development and added comfort and convenience.

Nova Scotia Light and Power Company
LIMITED
Halifax, N.S.

St. Hyacinthe Asks Electricity Probe

From Our Own Correspondent

MONTREAL.—A formal request has been made by the City of St. Hyacinthe to the Quebec Electricity Commission for a complete enquiry into capitalization of the Southern Canada Power Co.

The demands are divided under three headings:

1. An enquiry into capitalization of the company and its affiliates, their methods of operation, bookkeeping systems, equity and justice of operating and administration expense charges, tariffs and contracts in force in St. Hyacinthe and within its territory.

2. That all consumers in St. Hyacinthe receive the low rates which the company is alleged to charge certain "favorite" residents of the municipality, and that these rates be enforced within all towns recognized as being under the same electrical development area as the city of St. Hyacinthe, notably Drummondville, St. John's and Granby.

3. That the commission adopt for the province a general rule by which all electricity companies would be obliged to tender consumers in all towns and villages of a given area the rates prevailing in any town or village in which charges were the lowest.

HYDRO POWER

KEY TO NORTHERN ONTARIO'S EXPANSION AND DEVELOPMENT

INDUSTRY follows Power. Nowhere is this so strikingly illustrated as in Northern Ontario. With the extension of power lines into new areas, new districts spring into being, new populations and new payrolls follow overnight.

As these new districts grow, the increased demand for food, clothing and manufactured goods stimulates and effects the prosperity and general well being of all Canada.

Hydro has kept pace with this ever-increasing demand for extending its services, particularly to those key industries—Mining and Newsprint which cannot exist without adequate power.

Two new h.p. generating units have been installed at the Abitibi Canyon Development and the installation of a third unit is in progress. Two 1000 kv-a. and three 4500 kv-a. transformer stations and 55 miles of new transmission lines were constructed and placed in operation last year. Plans are also under consideration for the installation of a second generating unit at the Ear Falls Development.

In 1935, the increase in the amount of power supplied by the Commission to the combined districts of Northern Ontario was 19,000 h.p. With the increased demand of existing consumers and the additional new demand of prospective consumers, the year 1936 should set new records for Hydro service in Northern Ontario.

Industry follows Power. Prosperity follows stimulated Industry.

The following districts and mines are served by the Commission in Northern Ontario

ABITIBI CANYON DEVELOPMENT—
Bidgood Kirkland Gold Mines Limited
Central Porcupine Mines Limited
Falconbridge Nickel Company
Glenora Gold Mines Limited
Hollinger Consolidated Gold Mines Limited—Young Davidson
Hollinger Consolidated Gold Mines Limited—Hislop
International Nickel Company (25-cycle—two contracts)
Matachewan Consolidated Mines Limited
Northern Canada Power Corporation
Omega Gold Mines Limited
Pamour Porcupine Mines Limited
Paymaster Consolidated Mines Limited
Vimy Gold Mine Limited

SUDBURY DISTRICT—
International Nickel Company
Falconbridge Nickel Company

ESPANOLA DISTRICT—
McMillan Gold Mine Limited

ST. JOSEPH DISTRICT—
Central Patricia Gold Mines Limited
Pickle Crow Gold Mines Limited

THUNDER BAY DISTRICT—
Little Long Lac Gold Mines Limited
Northern Empire Mines Limited

RED LAKE AND WOMAN LAKE DISTRICTS—
Howey Gold Mines Limited
McKenzie Red Lake Gold Mines Limited
Red Lake Gold Shore Mines Limited

The HYDRO ELECTRIC POWER COMMISSION of Ontario

HYDRO IS YOURS.......USE IT

International Power

Replacement of Preferred on Regular Dividend Basis Reflects Better Earnings and Exchange Stability

International Power Co.'s action in placing the preference stock on a regular $6 annual dividend basis is taken to indicate that the company experienced a further increase in earnings during 1935. The dividend was covered up to 1931 but in the following year earnings dropped to $2.06 a share. There was an advance to $3.51 in 1933 and again to $5.01 in 1934. For the past year it is expected that the statement, which will not be available until later on in the year, will show over $6 a share earned on the first preferred stock.

International Power's biggest handicap in recent years has been fluctuation in foreign exchange. Through subsidiaries International Power carries on utility operations in Newfoundland, Bolivia, Venezuela, Mexico, Salvador, British Guiana and Porto Rico. Transfer of funds from these units to the parent company has been costly, but in the past 18 months it has been accomplished on a more favorable basis to the company.

Sell More Debentures

During the past year International Power created an issue of $3 millions of secured debentures, of which $2 millions were sold and the proceeds applied to the reduction of current bank loans and other indebtedness. At the end of 1934 the company'se consolidated bank loans aggregated $2,051,590, of which $1,425,000 were in Canada and the balance in Venezuela.

In addition to the direct financing, one of the company's subsidiaries, Demarara Electric Co., sold an issue of £88,000 5½ per cent 20-year first mortgage debenture stock. Proceeds were applied to a reduction of its indebtedness to International Power.

Bid on Demarara Stock

In connection with Demarara Electric, International Power made an offer of $75 a share for the minority interest in the common stock of the company. This offer expired early this month.

Several years ago International Power acquired a majority control of the common stock of Demarara Electric. No particulars have been made public, however, as to the extent of its holdings beyond the general statement that over 30 per cent of the stock is held.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	220,000 shs.	115,610 shs.
1st pref., 7% ...	$15,000,000	$8,000,000
2nd pref., 6%...	2,000,000	2,000,000
Par $100.		

Funded Debt—	
Gold debs., 6½%, due 1957	$3,000,000
Do., 6%, due 1957	2,000,000
Secured debs., 6%, due 1955	*2,000,000

*An additional $1,000,000 pledged with company's bankers.

Dividend Record—
1st pref.—7 per cent per annum, quarterly, 1st Jan., April, July and Oct. Paid regularly to and including Oct. 1, 1931, when passed. $1 per share each paid Apr. 1, July 15, and Nov. 1, 1935. Placed on a $6 annual basis with payment of $1.50 declared payable on Apr. 1, 1936. After this payment the stock will be in arrears of $27 per share.
2nd pref.—Cumulative from Mar. 1, 1927. None paid to date.
Common—None paid to date.
Head Office—Montreal.
Officers and Directors—
Officers—I. W. Killam, pres.; F. C. Clarke, sec.-treas.
Directors—I. W. Killam, Russell D. Bell, F. C. Clarke, H. J. Symington, Montreal; Col. J. H. Price, Quebec; Hon. W. D. Ross, L. M. Wood, Toronto; G. MacGregor Mitchell, Halifax; C. A. C. Bruce, St. John's, Newfoundland.

Year End. Dec. 31:	1934	1933	1932
Times deb. int. earn.	2.26	1.80	1.46

Earnings per Share and Dividend Record:

	1934	1933	1932
1st pref.: Earned	$5.01	$3.51	$2.06

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com...	6	1	5⅞	2	5	2
1st pf.	64	40	68	14	24	8

BOLIVIAN POWER
(Owned and controlled by the International Power Co.)

Capitalization—	Authorized	Outstanding
Com., par $100	$3,000,000	*$3,000,000

*Approximately 77 per cent held by International Power Co.

Funded Debt—
1st mtge. bonds, series A, 8 per cent, due 1945, outstanding $1,407,000.
Dividend Record—
None paid since Dec., 1929.
Executive Office—Montreal.
Officers and Directors—
Officers—I. W. Killam, pres.; F. C. Clarke, sec.-treas.
Directors—I. W. Killam, N. S. Brooke, S. B. Hammond, F. C. Clarke, Montreal; A. Dumaine, Paris, France.

DEMERARA ELECTRIC
(Controlled by International Power)

Capitalization—	Authorized	Outstanding
Com., par $100...	$425,000	*$425,000

*Over 50 per cent held by parent company.

Dividend Record—
None paid since 1915.
Funded Debt—
1st mtge. 5½% deb. stock due 1954, $422,400.
Executive Office—Montreal.
Officers and Directors—
Officers—I. W. Killam, pres.; H. McR. Jones, vice-pres.; Fred C. Clarke, sec.; L. B. Philpot, manager.
Directors—I. W. Killam, G. A. Gaherty, N. S. Brooke, Fred C. Clarke, H. McR. Jones, Montreal; H. R. Silver, H. E. Mahon, Halifax, N.S.

Times Bond Interest Earned—

	1934	1933	1932
After other int., before retire res..	3.15	3.01	2.63
After other int. & retire res.	1.75	2.21	2.23

Barcelona Traction

Barcelona Traction, Light and Power Co. gross earnings in 1935 showed an advance of 4.6 per cent to 122.3 million pesetas. Net earnings at 78.4 millions pesetas showed a 4.03 per cent increase.

Barcelona Traction, through subsidiaries, is engaged in Northern and Eastern Spain in making, distributing and selling hydro-electric power and bituminous gas for commercial and domestic purposes. It controls ten Spanish companies. The parent operating company in Spain is the Ebro Irrigation and Power Co., and its most important subsidiary is the Barcelona Electric Co.

The company's subsidiaries own and control a 700,000,000 cubic feet storage reservoir at Talara, another at Camarasa and owns and operates hydro-electric plants on the Ebro, Pallaresa and Segre Rivers. The total installed capacity is placed at 435,000 horsepower in addition to 50,000 horsepower received from other companies.

The company has given a good account of itself during the depression despite internal disturbances of a revolutionary nature. The effect of the depression on the exchange, however, was so great that dividends have been sadly interfered with. The company paid good dividends from 1925 to 1930. It earned 81 cents a share in 1931 and paid 50 cents a share. It earned 73 cents in 1932 and $1.38 in 1933 and paid nothing. It earned $1.56 in 1934 and paid 50 cents and in 1935 it paid 50 cents.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	2,500,000 sh.	1,798,854 sh.

Funded Debt—	
Cons. prior lien 6½ per cent bonds, due 1965	$14,520,000
6 per cent bonds, due 1972 ...	12,127,173
5½ per cent 1st mtge. bonds, due 1974	8,162,860
Outstanding bonds issue of contr. companies	36,685,948

Dividend Record—
No set rate at present. Last paid 50c June 29, 1935.
Head Office—Toronto.
Officers and Directors—
Officers—H. M. Hubbard, chm.; Henri Speciael, pres.; R. C. Brown, vice-pres.; Miller Lash, vice-pres.; Walter Gow, vice-pres.; R. H. Merry, sec.-treas.; J. S. Holmested, asst. sec.
Directors—H. Malcolm Hubbard, R. C. Brown, Miller Lash, C. D. Magee, E. R. Wood, Walter Gow, Rt. Hon. Sir Thomas White, A. W. K. Billings, Toronto; Marques de Alella, Domingo Sert, F. Fraser Lawton, Marques de Foronda, Barcelona, Spain; D. N. Heineman, Henri Speciael, Brussels; W. D. Dawes, London, Eng.

Times Bond Interest Earned:*

	1934	1933	1932
6½% prior lien bds.	4.62	4.29	3.36
5½% 1st mtg. bonds	8.41	10.63	9.11
6% 45-year bonds	5.90	5.81	4.41

*After depreciation, administration and reorganization expense.

Earnings per Share and Dividend Record:

	1934	1933	1932
Ord.: Earned	$1.56	$1.38	$0.73
Pd. on new shs...	0.50	...	...

Earnings—

12 mos. end. Dec. 31:	1935 Pesetas	1934 Pesetas	% Incr.
Gross earn...	122,333,927	116,953,014	4.60
Oper. exps...	43,907,411	41,567,990	5.63
Net earn. ...	78,426,516	75,385,024	4.03

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Ord.	11	10	16¾	15	17	10

Labor Disputes in Quebec Are Few

The Quebec Chronicle-Telegraph in an editorial published March 9th this year says:

"The people of Quebec have always held a deservedly high rating from the employers of labor for the self-restraint and common sense exhibited by the labor organizations. Many are the industrial enterprises that have been led to establish themselves among us notwithstanding the most tempting offers made elsewhere. And today Quebec labor still enjoys a good reputation throughout the Dominion.

"And that this reputation is not unmerited can be proved from the February issue of the Labor Gazette, where a comparison is made between the strike records of Quebec and Ontario during 1935. In the year Ontario has had 40 strikes while Quebec and Manitoba have been bracketted equal with 14 strikes apiece."

Add to the above, reasonable power costs throughout Southern Canada Power territory, as well as adequate transportation facilities and low tax assessments, and the manufacturer has the nucleus of an advantageous and economical production.

Enquiries concerning the attractive district served by this company will elicit prompt replies. Address:

Industrial Department

SOUTHERN CANADA
POWER COMPANY Limited
355 St. James Street W., MONTREAL, P.Q.

Pulp Cooking Gorges Power

Pulp and paper mills have been using increasing quantities of electricity in electric boilers for cooking pulp.

In 1935 deliveries to electric boilers totalled 6,244 million kw.h., as compared with 5,337 million kw.h. in 1934.

Mexico Tram.

Canadian Company in Mexico City Hampered by Strikes

The annual report of Mexico Tramways Co. for 1935 is not likely to be available before June. The Financial Post understands, however, the situation of the company as to earnings, and relations with the state have not changed materially since 1934.

In 1934 car earnings, as reported in Canadian funds, reached a total of less than half of the 1929 amount. There have been substantial decreases in operating expenses but in no year during the depression has the company been able to realize an operating profit. The fall in the Mexican peso did reduce the operating deficit for 1934.

In 1934 the company's position was improved materially by important revisions of the capital structure. Funded debt in the hands of the public is now only $885,393, principal amount of non-cumulative income debenture stock, against about $18.5 millions of mortgage bonds outstanding in 1933. The corresponding write-off of assets entirely eliminated the investment in Mexican Light and Power Co.

An extremely nationalistic attitude toward capital invested in Mexican utilities has been made evident from time to time. During 1935 there was a strike of employees of the company lasting more than a month. The Board of Conciliation and Arbitration ordered the company to pay full wages during the period of the strike, to pay wages for the day of rest and to enter into a new contract with employees. The company refused to accept the award but eventually the matter was settled. It resulted in considerable loss to the company, however.

Capitalization—	Authorized	Outstanding
Stock, par $100	$30,000,000	$26,531,200

Funded Debt—
5% non-cum. inc. deb. stk., outstanding $885,393; 5% Mexico Elect. tram., 1st debs., $35,495; 5% B debs., *$1,562,200; 8% Cia. le los Ferrocarriles del Distrito Federal, 2nd mtge. debs., due 1959, outstanding †$2,000,000.
†All owned by the Mexico Electric Tramways.
*All owned by Mexico Tramways Co.
Dividend Record—
None paid since 1913.
Head Office—Toronto.
Officers and Directors—
Officers—Miller Lash, chm., G. R. G. Conway, pres.; R. C. Brown, vice-pres.; H. M. Hubbard, vice-pres.; Walter Gow, vice-pres.; L. M. Speirs, gen. mgr.; R. H. Merry, sec.; F. Suastegui, J. S. Holmested, asst. secs.
Directors — Miller Lash, chm.; R. C. Brown, Walter Gow, Rt. Hon. Sir Thomas White, E. R. Wood, Toronto; G. R. G. Conway, Luis Riba, Mexico City, Mex.; A. W. K. Billings, Rio de Janeiro; H. Malcolm Hubbard, R. O. McMurtry, W. D. Dawes, London, Eng.; Vicomte Gaston de Breteuil, Paris, France; Henri Speciael, D. N. Heineman, Marcel Rongé, Brussels, Belgium; Francisco de A. Cambo y Batlle, Barcelona, Spain.

Porto Rico

Earnings Continue at High Level — Question of Rates

Earnings of Porto Rico Power Co., a subsidiary of International Power Co., are likely to be lower in 1935 than in the previous year, if the new rate schedule is put into effect. During 1934 the Public Service Commission of Porto Rico held an extended enquiry into the rates charged by Porto Rico Power's operating company, and about the middle of 1935, rendered a decision ordering certain reductions in the tariff. This decision was appealed by the company through the Federal Court.

The company has, at different times, been threatened with competition at San Juan, capital of Porto Rico. The Government controls a large network of power lines on the island, but not at San Juan, which is supplied by a subsidiary of Porto Rico Power. The rate schedule at that point has been under attack at different times and various efforts have been made to establish a competitive system.

San Juan Biggest Unit

The San Juan system is the most important in the Porto Rico Power Co.'s set-up. In addition to the electric lighting and power service, this unit also operates the entire tramways system at San Juan and suburbs. In the early part of 1926 the company endeavored to surrender its charter and discontinue its trolley service in San Juan, owing to operating losses, but in the same year the Public Service Commission refused the company permission to carry out this plan.

The financial statement for 1934, the latest available, shows a new profit, after bond interest, depreciation, etc., of $411,461. This was slightly less than in 1933, but was nearly six times the amount required for preference dividends. The company continues to pay $3 a share on the common stock.

Capitalization—	Authorized	Outstanding
Common	$4,000,000	‡$3,000,000
Pref. 7% cum.....	1,000,000	1,000,000
Par $100.		

‡Approximately 98 per cent of the common stock owned by the International Power Co.

Funded Debt—	Outstanding
1st mtg., 5%, due 1936	1,482,000
Ref. mtg., 5%, due 1962	973,333
S.F. debs., 6%, due 1950	949,500

Dividend Record—
Preferred — 7% quarterly, cumulative, payable Jan., April, July and Oct. 1. (Paid regularly since initial dividend on Jan. 2, 1910).
Common—$8 per share paid since 1931.
Head Office—Montreal.
Officers and Directors—
Officers—I. W. Killam, pres.; Hon. W. D. Ross, chm. of the board; F. C. Clarke, sec.-treas.
Directors—I. W. Killam, F. C. Clarke, C. W. Allen, S. B. Hammond, H. J. Symington, Montreal; Hon. W. D. Ross, Toronto.

Years End. Dec. 31:	1934	1933	1932
Times All Interest▲ Earned:			
After deprec.	†3.06	2.90	*2.25

*After deducting loss occasioned by hurricane. †After deducting directors' fees. ▲And exchange.

Earnings per Share and Dividend Record:

	1934	1933	1932
Pref.: Earned ...	$41.15	$43.39	$30.29
Paid	7.00	7.00	7.00
Com.: Earned ...	11.38	12.13	7.80
Paid	8.00	8.00	8.00

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Pref.	91	70	85	60	60	40

Mexican Light

Revenue Lessened by Lower Rates Imposed Arbitrarily by Mexican Government and By Higher Taxes

Low rates for lighting, power and heat arbitrarily imposed on the Mexican Light and Power Co. by the Department of National Economy of Mexico on August 1, 1934, drastically curbed 1934 and 1935 revenue.

From August, 1935, on, however, gross and net earnings, as measured in Canadian currency, showed increases. Earnings in the first seven months of the year under the new low rates were much lower than they were for the first seven months of 1934 before those rates were imposed. The net earnings for all of 1935 were therefore $99,540 less than they were in 1934.

Taxes in 1934 were one million pesos higher than in 1933, and in 1935 they were higher still than in 1934. Revenue, already affected deleteriously by the new rates, was also lower on account of increased income tax, the new collective contract with employees, the absentee tax and the tax on increased output.

The decline in net profits has been continuous since 1929. In the last two years the company has not earned, after depreciation, sufficient to cover fixed charges, together with interest and sinking fund charges for the six per cent cumulative income bonds (now debenture stock). The company had been able to meet these charges in the previous six years.

Under the circumstances the company has maintained its financial position well and has continued to expand its services during the depression despite the difficulties enumerated.

Mexican Light & Power
(Associated with Mexico Tramways Co.)

Capitalization—	Authorized	Outstanding
Common	250,000 sh.	*133,850 sh.
No par value.		
2nd pfd. 4% cum.	$5,700,000	$5,700,000
Par $5.		
Pref. cum. 7%...	6,000,000	6,000,000
Par $100.		

Funded Debt—		
1st gold sink. fund 5%, due 1940..	12,000,000	10,169,000
2nd mtge. 5% bds. due 1968	14,600,000	12,728,767
6% inc. deb. stk.	11,850,758	11,850,758
Companies controlled by the company:		
Mexican Elec. Light, 5% 1st mtge. bonds, due 1942		†$4,877,200
Pachuca Lt. & Pwr. 5% 1st mtge. bonds, due 1967		†$3,578,071

†Guaranteed by parent company.
*Does not include 43,750 shares issued Jan. 2, 1935 to redeem $3,500,000 general unsecured bonds.

Dividend Record—
Preference: Entitled to 7 per cent per annum, cumulative, payable May and Nov. 1. Paid to and including May 1, 1931; none since.
Second Preference: Entitled to 4 per cent per annum, cumulative, payable May and Nov. 1. Paid to and including May 1, 1931; none since.
Ordinary—‡None paid since 1913.
Head Office—Toronto.
Officers and Directors—
Officers—Miller Lash, chm., G. R. G. Conway, pres. and man. dir.; H M. Hubbard, R. C. Brown, W. Gow, vice-pres.; W. H. Fraser, gen. mgr.; R. H. Merry, sec., Toronto; P. Mendez y Mendez, J. S. Holmested, asst. secretaries.
Directors—Miller Lash, R. C. Brown, E. R. Wood, Rt. Hon. Sir T. White, W. Gow, C. D. Magee, Toronto; H. M. Hubbard, A. P. Holt, R. O. McMurtry, London, Eng.; G. R. G. Conway, Mexico City, Mex.; A. W. K. Billings, Rio de Janeiro; Henri Speciael, D. N. Heineman, Brussels; Francisco de A. Cambo y Batlle, Barcelona.

Earnings—

12 Mos. end. Dec. 31:	1935 $	1934 $	Increase $
Gross earn.	7,810,483	7,855,777	*45,294
Oper. exps. & deprec.	5,468,813	5,414,567	54,246
Net earn. ..	2,341,670	2,441,210	*99,540

*Decrease.

Times Bond Interest Earned:

	1934	1933	1932
After deprec., etc.	$0.92	$1.18	$1.25

Earnings per Share and Dividend Record:

	1934	1933	1932
First pref.: Earn...	nil	nil	$3.35

Mining Industry Big Outlet

The mining industry uses electric motors more extensively than any other power machine. In 1923 the rated capacity of electric motors used in the industry was 172,695. By 1931 the rating had increased to 392,826 h.p., or 528 per cent.

Foreign Power

Economic conditions in France, where Foreign Power Securities Corp. has most of its investments, continued unsatisfactory during the fiscal year ended October 31 last.

During the 1935 fiscal year Foreign Power's net income available for bond interest was about $18,569 larger than that required, a slight improvement over that previously reported. While bond interest has been paid regularly, no dividends have been paid on the preference stock for some time nor is there likely to be a resumption of payments until there is an upswing in business conditions in France. Arrears of dividends now total over $21 a share.

The financial position of the company at the end of October last showed a reduction in funded debt of $1,129,500 to $2,396,500.

This operation caused a reduction of cash and call loans from $393,273 to $23,546 and a decrease in investments at book from nearly $11.1 millions to about $10.6 millions. The market value of the company's investments at the end of last October totalled $3.8 millions, a decline of roughly $1 million from that reported at the end of the previous year.

Capitalization—	Authorized	Outstanding
Pref., par $100 ..	$5,000,000	$5,000,000
Com., n.p.v. ..	250,000 shs.	125,000 shs.

Funded Debt—
First collateral trust 6 per cent gold bonds, series A, due 1949, outstanding $2,396,500.
Dividend Record—
Preferred—Entitled to 6 per cent cumulative participating, payable Feb., May, Aug. and Nov. 15. Initial dividend paid Aug. 1, 1927; paid regularly thereafter to May 15, 1932; none since.
Common—An interim dividend of $1 per share paid Jan. 20, 1930. None since.
Head Office—Montreal.
Officers and Directors—
Officers—A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; L. C. Haskell, sec.; C. Johnstone, treas.; V. J. Nixon, asst. sec.; T. Irving, asst. treas.
Directors—A. J. Nesbitt, J. B. Woodyatt, P. A. Thomson, L. C. Haskell, E. R. Parkins, G. M. Todd, all of Montreal.

	1935	1934	1933
Times Int. Earned .	1.12	1.05	0.87

Earnings per Share and Dividend Record:

	1935	1934	1933
Pref.: Earned	$0.37	$0.27	nil

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	2¼	½	3⅝	½	5	1½

Cities Service Co.

The Cities Service Company's subsidiaries in Canada include the following:

Alberta Gas and Fuel Co. (Not now operating).

Cities Service Oil Co.

Dominion Gas Co. with subsidiaries Brampton Gas Co. and Dominion Natural Gas Co.

Manufacturers Natural Gas Co., Hamilton, Ont., which is a subsidiary of New York and Northern Gas Co.

Southern Ontario Gas Co.

The company's distribution of gasoline and oil products is mainly in Ontario. It has a widespread distribution there, and is selling in some Quebec centres as well.

The company does a large natural gas business in Southern Ontario under the name Dominion Natural Gas Co. Its biggest market is in the firms around Hamilton.

Public Utility Investments

●

Electric Light and Power
and Telephone
Securities

●

Offerings and information on request.

Royal Securities Corporation
Limited

244 St. James Street
MONTREAL

330 Bay Street
TORONTO 2

Halifax, Saint John, Quebec, Ottawa, Winnipeg, Vancouver, Hamilton, Charlottetown, Calgary, St. John's, Nfld., New York, London, England

Responsible Citizenship

Montreal Light Heat & Power service benefits the entire Montreal area.

Power rates are low — more than comparable with those obtaining anywhere.

The total revenue obtained from the 230,000 domestic electricity customers is substantially lower than would be obtained in Montreal by the application of rate scales existing elsewhere.

Some 22,000 customers own over 70 per cent of the shares of the company; and approximately 18,500 customers own 95 per cent of the outstanding debentures.

Last year the company contributed $2,315,963 in taxes to the cost of federal, provincial and municipal government, an amount equal to almost $2,000 per annum per employee.

Approximately 10 per cent of each power and gas bill in 1935 was paid out in taxes, a contribution to society unmatched in any other form of utility operation.

After making an allowance for tax payments benefitting in part those outside the area served, the Montreal domestic electricity rate compares favorably with any domestic rate obtaining on this continent.

Nor has the low rate in Montreal been made possible by repudiation of obligations to investors or others.

Efficient, low-cost management for 36 years is the basis of a financial structure which assists in maintaining the efficient, low-cost power service in Montreal.

Montreal Light Heat & Power
CONSOLIDATED

Public Service at a Profit — a Profit to the State and to the Taxpayer

Montreal Tramways

Revenues for Third Successive Year Under Commission's Requirements — Attack on Agreement With City

Despite every effort for economy, revenues of Montreal Tramway Commission in 1935 were $647,291 short of meeting all charges. The latter sum was made up of $147,291 owing to the company under the terms of the contract made with the city in 1918, and $500,000 being the annual rental due to the city.

This is the third consecutive year in which the commission has been unable to earn sufficient money to pay the rental to the city. Consequently there has been a strong agitation among a group of Montreal aldermen for a revision of the terms of the contract, which would reduce the amount payable to the company so that the commission would have sufficient revenue to meet the annual rental owing to the city.

Contract Sets Earnings

In 1918 the Montreal Tramways Co. and the city of Montreal entered into a 35-year agreement whereby the utility company was guaranteed six per cent on the capital value—now around $55 millions—together with six per cent on all working capital needed, as well as $181,431 yearly during the life of the contract to cover expenses of financing. After the company was paid, $500,000 was to go to the city as rental.

An important feature of the agreement is that the commission has the right to increase fares to provide sufficient revenue to cover all charges, including the payment of the annual rental to the city.

The agreement was ratified by legislative act by the Province of Quebec in February 1918 and the Montreal Tramways Commission set up to administer the contract.

City Rental in Arrears

During the early years of the contract the rental was unearned and carried by the commission as a contingent liability. Eventually payments were made and the arrears wiped out. When the depression set in revenues fell off, there being insufficient income to cover payments to the company, the rental was again in default.

The city is badly in need of this revenue and not long ago it was proposed that the commission exercise its power by increasing fares. This suggestion met with strong opposition, especially among the aldermen, because of possible political repercussions.

Institute Many Economies

In an endeavor to reduce expenses to a point where they will be covered by revenues, the commission has put into effect a number of economies, including a reduction in salaries and wages, a decrease in mileage, as well as the use of one-man cars. It has been suggested that greater use of one-man cars would enable the commission to save enough on operating expenses to pay the annual rental to the city. The commission is not adverse to this proposal, but political pressure would make it inexpedient to increase operation of one-man cars.

Much as the city might like to revise the contract, nothing can be done without approval of the Quebec Legislature. Therefore the only thing the city can do is to seek an "amicable revision" with the company. It is not known what concessions the company would make, but it is unlikely that anything would be done which would endanger payment of interest or dividends on the capital of the company.

Last year gross receipts from the tramway operations totalled $12.3 millions and expenses $13 millions. The net results were much the same as in 1934, when there was a deficit of $97,000 owing to the company and $500,000 rentals to the city.

Small Traffic Gain Important

The position of the Montreal Tramways Commission, in regard to revenues, could undergo a marked improvement with a very slight increase in traffic. It is estimated that a gain of five per cent in passenger traffic would enable the commission to meet all charges. With an increase in business, greater employment in industries, etc., this end could be achieved very readily. Consequently the outlook is encouraging. The commission anticipates that traffic will increase during 1936 and while the gain in net revenue may not be sufficient to take care of all charges, a deficit should be less than that reported in the last couple of years.

Capitalization—	Authorized	Outstanding
Common	$20,000,000	$7,000,000

Par $100.
38,336 shares (54.77%) are held by United Securities, giving that company control.

Funded Debt—
First and refund. mtge. 5% bonds, due 1941, outstanding $21,351,000.*
Gen. and ref. mtge. gold bonds, Outstanding:

Series A 5%, due 1955	$17,603,300
Series B 5%, due 1955	2,391,500
Series C 4½%, due 1955	2,356,100
Series D 5%, due 1955	4,921,200
Series E 5%, authorized	†5,000,000

†None issued.
*Excluding $2,260,000 held above as collateral security for the general and refunding mortgage bonds.

Dividend Record—
Common—9 per cent per annum, payable quarterly, Jan., April, July and Oct. 15.

Head Office—Montreal.

Officers and Directors—
Officers—Julian C. Smith, pres.; W. C. Finley, vice-pres.; R. N. Watt, vice-pres.; K. B. Thornton, gen. mgr.; P. Dubée, sec.-treas.; C. H. Boire, asst. sec.-treas.
Directors—Julian C. Smith, Col. J. E. Hutcheson, Howard Murray, G. H. Montgomery, G. W. MacDougall, S. Godin, Jr., G. Caverhill, W. C. Finley, Beaudry Leman, Hon. J. P. B. Casgrain, all of Montreal.

	1934	1933	1932
Times Int. Earn.* ..	1.41	1.28	1.25

*Times interest and exchange.

Earns. per Share and Div. Record:			
Common: Earned .	$9.09	$8.82	$9.80
Paid	9.00	8.75	9.75

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. .	102	80	125	73	110	70

Wooden Poles in Majority

At the beginning of 1935, Canada had 56,214 miles of transmission and distribution lines. Of this number, 48,102 were on wooden poles, and 5,286 on steel towers, while 1,608 miles were underground and submarine cables.

Ottawa Trams

Finances and Earnings Show Little Change — Pay Regular Dividend

Income of the Ottawa Traction Co., the parent company for the Ottawa Electric Railway, amounted to $246,558 in 1935 or practically the same as in 1934. After providing for the usual expenses, including bond interest, there was $112,152 available for dividends on the capital stock. Disbursements amounted to the same figure, a condition similar to that which prevailed in 1934.

There is no investment interest in the capital stock of Ottawa Electric Railway, Ottawa Traction holding all of the outstanding capital stock, with the exception of directors' qualifying shares. The common stock of Ottawa Traction is closely held, so that public investment interest lies principally in Ottawa Traction's funded debt which amounts to $2,390,500. These bonds are secured by a similar number of Ottawa Electric Railway first mortgage bonds.

Capitalization—	Authorized	Outstanding
Com., par $100 .	$10,000,000	$5,607,600

Funded Debt—
1st mtge. and collat. trust A bonds, 5½%, due 1955 ..... $2,390,500

Dividend Record—
Common—Present rate 2 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial payment at this rate made on April 2, 1934, and regularly since. No dividends were paid from April 2, 1928, to and including Jan. 2, 1934. Formerly 4 per cent per annum.

Head Office—Ottawa.

Officers and Directors—
Officers—Hon. T. Ahearn, pres.; Major F. D. Burpee, vice-pres.; G. L. Snelling, sec.-treas.
Directors — Hon. T. Ahearn, T. F. Ahearn, T. Workman, G. F. Henderson, Col. G. P. Murphy, Major F. D. Burpee, Capt. O. G. Whelen, J. F. Smellie, Ottawa; H. W. Soper, Montreal.

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	22	14	20	5	8	4¼

OTTAWA ELECTRIC RAILWAY
(Controlled by Ottawa Traction Co.)

Capitalization—	Authorized	Outstanding
Common, n.p.v...	40,000 shs.	*35,197 shs.

*Of which the parent company holds 35,047 shares.

Funded Debt—
First mortgage 5½% bonds, series A, due 1955, outstanding $2,390,500.
The entire issue pledged as security for parent company's bonds.

Dividend Record—
Common—Present rate $3.20 per share per annum payable Jan., April, July and Oct. 1. Initial payment at this rate being made on April 2, 1934, and regularly since. No dividends were paid from April 2, 1928, to and including Jan. 2, 1934. Formerly 8 per cent per annum on old $100 par value shares.

Officers and Directors—
Officers—Hon. T. Ahearn, pres.; Major F. D. Burpee, vice-pres.; G. L. Snelling, sec.-treas.; J. M. Ahearn, asst. mgr. and pur. agent; A. J. Tobin, supt.
Directors—Hon. T. Ahearn, Major F. D. Burpee, T. Workman, T. F. Ahearn, G. F. Henderson, Col. G. P. Murphy, Ottawa; H. W. Soper, Montreal.

Times Bond and Other Interest Earned—	1935	1934	1933
Before deprec. ...	3.10	3.43	2.41
After deprec.	1.88	2.05	1.35
Earnings per Share:			
Common: Earned	$2.80	$3.31	$1.19
Paid	3.20	3.20	....

573 Generating Stations

At the beginning of 1935 Canada had 573 generating stations, of which 133 were in Ontario; Quebec, 94; Saskatchewan, 119; Alberta, 64; Manitoba, 29; Nova Scotia, 45; New Brunswick, 15; Prince Edward Island, 11.

Beauharnois Calls Meeting

Bondholders Will Discuss Situation and Form Committees

From Our Own Correspondent

MONTREAL. — Official notice of the calling of a meeting April 29 next has been sent out to holders of the Beauharnois Power Corp. 5 per cent collateral trust bonds. On the following day holders of the Beauharnois Light, Heat and Power Co. 5½ per cent first mortgage bonds will meet. At both meetings the bondholders will give consideration to steps to be taken to protect their interests in view of the repudiation of the contracts held by the operating company with Ontario Hydro-Electric Power Commission.

The agenda for the meeting covers appointment of a committee to represent the bondholders for the purpose of making an investigation of the affairs of the company; consulting with the trustee, the company and others with a view to securing redress from the action of the Ontario Legislature in cancelling the power contract; and to take such other measures as may be in the interests of the bondholders.

In a covering letter to the holders of the bonds, John S. Norris, president, outlines in detail steps taken by the management to protect the interests of the company in regard to the Ontario Hydro contract.

Bill Machines Help Utilities

Machine Accounting Essential for Efficient Office Operations

Machine control of cash and accounts has long been accepted as a fundamental of efficient and economical office operations in public utility enterprises.

Early systems of mechanical accounting were a great advance on the antiquated manual accounting of a generation ago. Modern developments in accounting mechanisms now put many of the earlier mechanisms out of date.

The Modern Method

The modern machine method of registering the legion of public utility accounts works like this: The class of account, amount of the bill, and the discount are set up simply by punching the keys of the machine register. The bill is inserted, and all the amounts are printed on both the original bill and the stub. The stub, which is the company's record, is automatically cut off in the printing and drops into a locked box. At the same time, the amounts recorded add to locked totals on the machine.

The company immediately has a complete record of commercial accounts, domestic accounts, and the discounts. Cash collections must balance with the totals recorded on the machine, keys to which are held by a senior official.

The results of this method are that office records are identical with the customer's records protecting both parties; and all receipts are automatically recorded and must agree with cash received.

Costly Errors Avoided

However efficient an individual may be, he makes mistakes. Costly human errors are avoided by the mechanical method of handling accounts, whether in collections or in posting ledgers.

United Securities

Revenues Are Unchanged — Interest in Tramways Situation

No particular developments have taken place in connection with United Securities Ltd. over the past year. This company, which is jointly controlled by Shawinigan Water and Power and Montreal Light, Heat and Power Consolidated, holds a controlling interest in Montreal Tramways Co. and Canadian Light, Heat and Power. Montreal Tramways is the most important source of revenue to the company and as long as that company continues to pay its regular dividend, United Securities will have no trouble in taking care of its obligations. There has been talk of the tramway company reducing its dividend, but from a recent survey of the situation, it would appear that the company will be able to pay sufficient dividends to enable United Securities to take care of all charges.

Capitalization—	Authorized	Outstanding
Com., par $100 ..	$14,000,000	$5,126,173

Funded Debt—
Collateral trust gold bonds, series A, 5½ per cent, due 1952, $3,271,000.
Series B, 5½ per cent, due 1952, $1,462,500.

Dividend Record—
Common—$2 per annum, payable quarterly, Jan., Apr., July and Oct. 15. Initial dividend of $3 paid Apr. 10, 1931, followed by regular payments of 50 cents quarterly.

Head Office—Montreal.

Officers and Directors—
Officers — J. C. Smith, pres.; J. S. Norris, vice-pres.; J. Wilson, sec.-treas.; H. G. Budden, asst. treas.
Directors—J. C. Smith, J. S. Norris, H. B. Murray, G. H. Montgomery, G. W. MacDougall, C. S. Bagg, S. Godin, Jr., W. S. Hart, Montreal.

Years End. Mar. 31:	1935	1934	1933
Times Bd. Int. Earn.	1.71	1.60	1.60
Earnings per Share and Dividend Record:			
Com.: Earned ..	$3.64	$3.11	$3.16
Paid	2.00	2.00	2.00

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com..	30	23	33	17	30	19½

CANADIAN LIGHT & POWER
(Controlled by United Securities)

Capitalization—	Authorized	Outstanding
Com., par $100 ..	$3,325,000	$3,324,800

Funded Debt—
1st mortgage, s. f. bonds, 5 per cent, due 1949, outstanding $2,924,100.
$1,302,000 bonds and $1,875,600 common stock owned by United Securities and pledged as security for the parent company's collateral trust bonds.

Dividend Record—
Common—$1 per share per annum, payable Jan. and July 15.

Head Office—Montreal.

Officers and Directors—
Officers — Julian C. Smith, pres.; J. S. Norris, vice-pres.; W. S. Hart, treas.; J. Wilson, sec., H. G. Budden, asst. treas.; W. A. Stitt, asst. sec.
Directors—Julian C. Smith, J. S. Norris, W. S. Hart, W. C. Finley, G. W. MacDougall, G. H. Montgomery, Howard Murray, Severe Godin, Jr., all of Montreal.

Times-Bond Interest Earned:	1934	1933	193
Before deprec. ...	1.87	1.79	1.7
After deprec.	1.23	1.23	1.2
Earnings per Share and Dividend Record:			
Earned	$1.00	$1.01	$1.0
Paid	1.00	1.00	1.0

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. .	30	20	40	19	21	10½

Jamaica Public Service

Earnings Record Advance — More Active Interest in Stock

Consolidated revenues of Jamaica Public Service last year recorded an improvement over 1934. After making provision for all charges, including dividends, the earned surplus increased from $257,140, to $298,387.

In view of the steady increase in income, directors of the company increased the dividend on the common stock from $1 to $1.50 annually.

For several years, earnings of the company have been well in excess of the new rate of dividend. Shortly after incorporation of the company, which holds the stock of the operating unit, Jamaica Public Service Co., the directors placed the common stock on a dividend basis of 50 cents annually. This rate was in force until 1931, when the dividend was increased to $1 a share.

Capitalization—	Authorized	Outstanding
Common, n.p.v.	60,000 shs.	45,000 shs.

Dividend Record—
Common — Present rate $1.50 per share per annum, payable Jan. 3, April 1, July 3 and Oct. 2. Initial dividend of 25 cents per share paid Oct. 2, 1930; regular quarterly payments at that rate to July 1935; increased to $1.50 with payment of 37½c. Oct. 1935.

Head Office—Montreal.

Officers and Directors—
Officers—Russell D. Bell, pres.; Abner Kingman, G. H. Clifford, vice-pres.; V. D. Vickery, sec.; J. T. G. Nichols, treas.; A. S. Nichols, vice-pres. and mgr. of oper. subsidiaries.
Directors — Russell D. Bell, D. J. O'Donahoe, J. C. Smith, Abner Kingman, G. H. Clifford, Montreal; A. S. Nichols, Kingston, Jamaica; Sir William E. Stavert, London.

Times Interest and Amortization Earned:	1934	1933	1932
Before retire. res.	$3.08	$2.88	$2.91
After retire. res. .	2.26	2.09	2.11
Earnings per Share and Dividend Record:			
Common: Earned	$1.75	$1.48	$1.51
Paid	1.00	1.00	1.00

Market Record—

	1935 H	1935 L	1934 H	1934 L
Common	33¼	22	20	20

JAMAICA PUBLIC SERVICE CO.
(Controlled by Jamaica Public Service, Ltd.)

Capitalization—	Authorized	Outstanding
Ord., par $5	$1,000,000	†$750,000
Prefer., par $100§	750,000	750,000
Pref. B, par £1..	500,000	*323,000

*Divided into 66,369 shares of £1 par value and one share of par value 17s. 3½d.
†Entirely owned by parent company.
§2,864 shs. owned by parent company.

Funded Debt—
1st mtge. deb. stk. 4½ per cent, "C" due 1965, outstanding $2,044,000.

Dividend Record—
Preference—7 per cent per annum, cumulative, payable quarterly in Canadian funds, Jan., April, July and Oct. 1. Paid regularly.
Preference B—7 per cent per annum, cumulative, payable in sterling, Jan., April, July and Oct. 1. Paid regularly.
Ordinary—Special dividend of 25 cents per share paid Oct. 1, 1928, and 75 cents per share April 1, 1929. In 1934, 7½ cents paid Mar. 31, June 30 and Sept. 29, and 17½ cents Dec. 31.

Officers and Directors—
Officers—Russell D. Bell, pres.; Abner Kingman, G. H. Clifford, vice-pres.; V. D. Vickery, sec.; J. T. G. Nichols, treas.; A. S. Nichols, vice-pres. and mgr., Kingston, Jamaica.
Under Supervision of—Stone & Webster Service Corp., Boston, Mass.
Directors — Russell D. Bell, Abner Kingman, D. J. O'Donahoe, J. C. Smith, G. H. Clifford, Montreal; Sir William E. Stavert, London; A. S. Nichols, Kingston, Jamaica.

Head Office—Kingston, Jamaica.

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Pref.	126	115	115	97	98	70

Can. Marconi

Earnings of Canadian Marconi Co. over the past seven years have not been particularly satisfactory, though, of late, the trend has been more encouraging. However, there is no indication of the company paying a dividend on its common stock in the near future.

Owing to delay in publishing the annual report, particulars of the company's financial position are somewhat out of date. The 1934 statement revealed net earnings of $228,286, as against a deficit of $35,865 in 1933. Working capital shows a moderate improvement, due to reduction in current liabilities.

Canadian Marconi operates wireless telegraph and telephone services and manufactures broadcast transmitters, radio telephone and radio telegraph transmitters and receivers of all kinds, as well as radio direction finding equipment.

In 1934 the company concluded an arrangement with Cable and Wireless Ltd., the former Imperial and International Communications, the result of which has been to remove any conflict of interests and to enable the overseas service of both companies to be worked on a basis of mutual assistance and co-operation.

Capitalization—	Authorized	Outstanding
Common, par $1	$7,500,000	$4,554,682

Head Office—Montreal.
Officers—Sir Joseph Flavelle, chm. of the board; A. H. Ginman, pres. and deputy chm.; Dr. M. L. Hersey and J. A. Boyd, vice-pres's.; H. M. Short, man. dir.; James Fergus, sec.; S. M. Finlayson, asst. to gen. mgr.
Directors — Sir Joseph Flavelle, Toronto; Dr. M. L. Hersey, Montreal; A. H. Ginman, London, Eng.; A. E. Dyment, Toronto; G. W. MacDougall, H. M. Short, J. E. Labelle, D. C. Coleman, J. A. Boyd, Montreal.

	1934	1933	1932
Earnings per Share:	$0.013	nil	nil

Market Record (New York Curb)—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	2½	1	4¼	1⅛	3¾	¼

Can. Niagara Power

The Canadian Niagara Power Co. is the only remaining privately-owned hydro-electric power plant on the Canadian side of the Niagara Falls. It is a subsidiary of the Niagara Power Corp., which was formed last year by Buffalo interests to take over the Buffalo General Electric Co., the Niagara Falls Power Co., the Niagara Lockport and Ontario Power Co., and their subsidiary companies.

The output is 100,000 horsepower and it has a franchise to generate this power until the year 2,022.

It exports the bulk of its power to Buffalo over the lines running via Fort Erie, Ontario. Power is also sold to the Dominion Power and Transmission Co., now owned by Ontario Hydro, for distribution in various communities throughout the Niagara Peninsula.

Capitalization—	Authorized	Outstanding
Common	300,000 shs.	300,000 shs.

Canadian Securities

Dominion and Provincial Government Bonds

Municipal Bonds

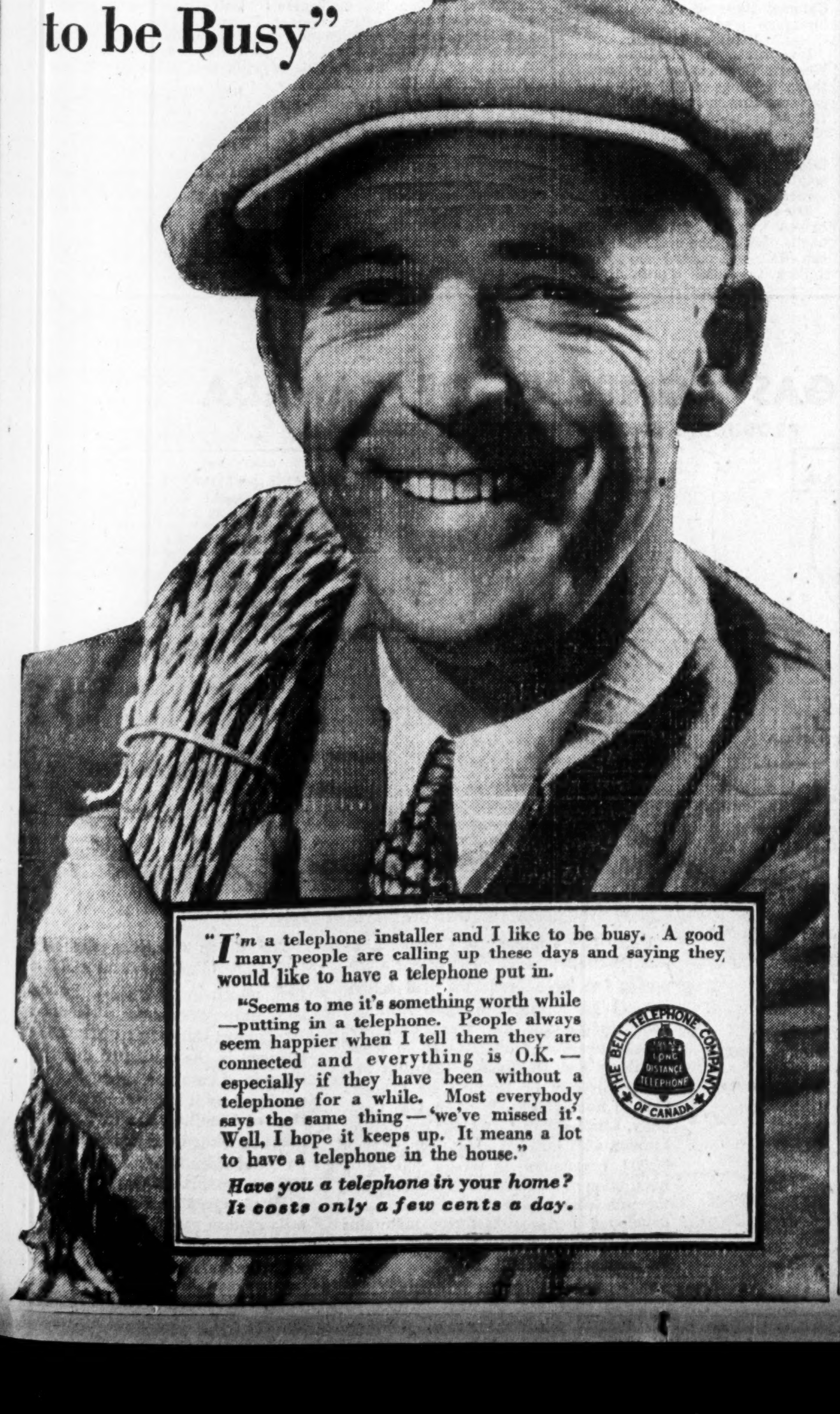
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

"It's Great to be Busy"



"I'm a telephone installer and I like to be busy. A good many people are calling up these days and saying they would like to have a telephone put in.

"Seems to me it's something worth while—putting in a telephone. People always seem happier when I tell them they are connected and everything is O.K.—especially if they have been without a telephone for a while. Most everybody says the same thing—'we've missed it'. Well, I hope it keeps up. It means a lot to have a telephone in the house."

Have you a telephone in your home? It costs only a few cents a day.

THE BELL TELEPHONE COMPANY OF CANADA

Canada Northern Power Corporation, Limited

New Liskeard - - Ontario

Has served the Mining Districts of Northern Ontario and Northern Quebec since their inception.

Its subsidiaries, Northern Ontario Power Company, Limited and Northern Quebec Power Company, Limited are amply equipped through their ten power developments and extensive transmission line systems to continue this great work.

Prompt and reliable service ensured in each of the following mining fields:

Gold Porcupine, Kirkland Lake, Matachewan, Duparquet, Cadillac, Varsan, Dubuisson and Bourlamaque.

Silver Cobalt, South Lorrain and Gowganda.

Copper-Gold Rouyn, Noranda.

Stop Hydro! Plea of 1,500 To Dominion

Mostly Small Investors Ask Disallowance of Repudiation

CLERGYMEN LISTED

From Our Own Correspondent

OTTAWA. — What happens to credit when a government repudiates its debt is made apparent in a return filed in the Commons this week giving the names and addresses of those who wrote to Ottawa requesting that the Ontario Power Commission Act of 1935 be disallowed. This is the famous—or infamous—statute by which Hydro contracts to buy power from four Quebec companies were repudiated.

Under the British North America Act, the Governor-in-Council may disallow a provincial statute within two years of its enactment. It is plain, of course, that the Dominion will take no action in the Ontario case.

Protests by 1,500

The return reveals that 1,500 persons wrote to Hon. Charles A. Dunning and other ministers in this connection. They might be supposed to represent the moneyed interests, the tycoons and big shots of business. Actually, only one name in the list, would be recognized by the inhabitants of St. James Street—that of Herbert Molson, of Montreal.

Several companies are outstanding, but none of them is an ordinary financial or banking institution. Most of them, like the Great-West Life Assurance Co., of Winnipeg, the Montreal Life Insurance Co., the Nova Scotia Trust Co., the Portage la Prairie Mutual Insurance Co. of Manitoba are trustee companies charged with the responsibility of looking after the savings or the estates of ordinary citizens.

Complaints From Afar

Other companies who have written to Ottawa include McDougall & Cowan Holdings Ltd., of Montreal; the Canadian Asbestos Co., of Montreal; the Comptoir National de Placements, of Montreal; Davison and Forsyth, of Halifax; the Northern Bolt, Screw and Wire Co. Ltd., of Owen Sound; the Guelph Cemetery Commission, of Guelph; and the East Iron Works Ltd., of Saskatoon.

About one half of the names in the return are of women. Among the men are numerous clergymen and several church organizations such as Holy Trinity Church, North Gower, Ont.

The letters came from scores of points in every province of Canada The bonds, it is apparent, are held by people in rural areas and small towns

Can. Hydro

Dividend Deferred Due to Uncertainty Over Hydro Contract

Canadian Hydro-Electric Corp's action in deferring dividends on its first preferred stock last month was not unexpected in view of the uncertainty in regard to a new contract made by its subsidiary, Gatineau Power Co., and Ontario Hydro-Electric Power Commission.

Practically all of Canadian Hydro's income is derived from Gatineau Power. The passing of the dividend is regarded as a precautionary move by the management until such time as it is possible to see how the Hydro business will shape up under the terms of the new contract. At the same time it is unlikely that dividends will be resumed until Hydro takes a larger quantity of power from Gatineau than is called for under the minimum terms of the contract.

As far as can be determined, from a preliminary study of the new Ontario Hydro contract, Gatineau Power will have sufficient revenue to take care of all its funded debt obligations and will have a balance left over equivalent to around $3.90 a share on the first preferred stock of Canadian Hydro. This compares with dividend requirements of $6 a share. If this estimate is borne out by actual returns, it is unlikely that Canadian Hydro directors will declare any dividends on the first preferred stock until revenues from Ontario Hydro reach a higher level.

At present Canadian Hydro has outstanding $12.5 millions of 6 per cent first preferred stock held by nearly 7,000 shareholders, most of whom reside in Canada. This stock was offered to the public in December, 1927. Dividends were paid regularly up until the last quarter.

The junior equity in Canadian Hydro is owned by International Hydro-Electric System, which in turn is controlled by International Paper and Power Co.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	1,000,000 sh.	1,000,000 sh.
1st pref. 6% cum.	$37,500,000	$12,500,000
2nd pref. non-cum.	25,000,000	25,000,000

Par $100.

Both 2nd preferred and common shares are owned by International Hydro-Electric System.

Funded Debt—

None.

Dividend Record—

First Preferred—6 per cent per annum, payable March, June, Sept. and Dec. 1. Initial dividend paid March 1, 1928, and quarterly to Dec. 1, 1935; since passed.

Second Preferred—6 per cent per annum, non-cumulative. Initial dividend of 6 per cent, $1,300,000 paid to parent company in 1931; 3 per cent in 1932; 6 per cent in 1933 and 1934.

Common—Initial dividend of $501,000, $0.501 per share paid to parent company in 1931; none paid in 1932; 50 cents paid in 1933 and 1934.

Head Office—Ottawa, Ont.

Officers and Directors—

Officers—C. Gordon Gale, pres.; Brig.-Gen. J. B. White and I. L. Moore, vice-pres.; H. R. Weaver, treas.; J. R. Binks, sec. and asst. treas.; A. R. Storm, asst. treas.; G. S. McCarthy, asst. sec.; Roy Campbell, asst. sec.; C. D. Young, asst. sec.

Directors — J. R. Binks, C. G. Gale, I. L. Moore, Ottawa; V. M. Drury, Brig.-Gen. J. B. White, Montreal; A. R. Graustein, New York City; A. F. White, Toronto.

Years End. Dec. 31:	1934	1933	1932
Times Interest Earned:			
Before deprec. ...	1.61	1.63	1.67
After deprec.	1.48	1.50	1.54
Earnings per Share and Dividend Record:			
1st pref.: Earned.	$19.03	$19.78	$21.82
Paid	6.00	6.00	6.00
2nd pref.: Earned	6.59	6.96	7.91
Paid	6.00	6.00	3.00
Common: Earned	0.15	0.24	*0.48
Paid	0.50	0.50	nil

*After full year's 2nd pref. dividend.

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
1st pref.	82¼	37	77½	54½	65	24

Two Hundred Companies Operate in Natural Gas

Alberta's Turner Valley Leads — Ontario's Open Flow Is Increasing — About $75 Millions of Capital Involved

Latest available figures show about 200 companies are operating in Canada in the natural gas fields.

Capital employed by 116 firms in 1932 amounted to $75.2 millions. This increased to $80.9 millions in 1933 and dropped to $70.8 millions in 1934 when 198 companies were operating. In all three years selling value of products ranged from $8.7 to $8.9 millions.

Alberta continued to be the leading producing province with an output of 14,841,491 thousand cubic feet; Ontario came next with 7,682,851 thousand cubic feet; New Brunswick followed with 623,601 thousand cubic feet, and Saskatchewan entered the list of natural gas producers with a production of 13,781 thousand cubic feet. Manitoba, as usual, recorded a small output from several private wells.

Wells in the Stoney Creek field, near Moncton, are the source of New Brunswick's natural gas supply. This gas is piped to Moncton and Hillsboro where approximately 5,400 consumers are served. Thirty natural gas wells were in operation in New Brunswick at the end of 1934; two wells were abandoned during the year and one new producer was drilled.

Turner Valley Leads

The largest natural gas producing area in Canada in 1934 was the Turner Valley field, located about 35 miles southwest of Calgary. The industrial and domestic consumption from this field in 1934 totalled 9,571,600 thousand cubic feet as against 9,846,431 thousand cubic feet in 1933 and 12,242,037 thousand cubic feet in 1931. Approximately 22,900 consumers in Calgary, Lethbridge and elsewhere were served with this gas. Considerable quantities were used for drilling purposes in the field. The producers continued their practice of the past several years of piping large quantities of this gas into the exhausted sands of the Bow Island field.

Consumption of natural gas in the city of Medicine Hat totalled 1,914,606 thousand cubic feet as compared with 2,149,535 thousand cubic feet in 1933. About 2,500 consumers were supplied with gas from the Medicine Hat field in 1934. Wells in the Redcliff field, about two miles west of Medicine Hat, supplied gas to approximately 300 industrial and domestic consumers.

Viking Field Important

The Viking field, which is approximately 80 miles southeast of Edmonton, was the source of supply for over 10,000 consumers within that city. Outside of Edmonton some 500 consumers were furnished with gas from the Viking field.

The Maple Leaf well, in the Fabyan field, supplied gas to 300 users in Wainwright.

At the close of 1934 92 wells were producing gas in Alberta as compared with 87 wells a year earlier. The capital employed by companies operating in this industry in Alberta amounted to $26.1 millions. During the year, 377 employees receiving salaries and wages totalling $496,979 were employed by Alberta producers.

Ontario's production advanced 7.2 per cent in 1934 to 7,682,851 thousand cubic feet from the preceding year's total of 7,166,659 thousand cubic feet. The gain has continued in 1935.

Colonel R. B. Harkness, Commissioner of Gas for Ontario, reports that 1934 was the outstanding year in new production since the years 1910 to 1914, when the Tilbury field reached its peak of development.

"There is no record compiled to show the increase in open flow by years, until the year 1919, and until 1921 these reports are imperfect, but 1934 exceeds all years since 1919 in open flow of new wells. This is principally the result of drilling in Raleigh township in the Declute field. This field has now been extended a considerable distance to the east. Just how far this field can be extended is uncertain. It is scarcely likely to be more than doubled in area on land, but its limits under Lake Erie are impossible to estimate.

Dover and Eden Fields

Second in importance in Ontario is the extension made in the Dover field. The gas and oil in the Dover field is along a probable fault. Subsequent drilling has proved this fault does exist. In general it lies east and west, and is part of a general east-west system of faulting in Kent and Lambton counties. It has now been traced for a distance of three miles. Accumulation is on the down-throw side of the fault. The largest wells appear to be those nearest the foot of the scarp. The Southern Ontario Gas Co. has completed a four-inch pipe line from the Dover field to connect with its 12-inch pipe line from the Tilbury field to Hamilton. The first delivery was early in December, 1934.

Third in importance is the Eden gas field in Bayham and Middletown townships. This field was discovered in 1932. The gas occurs in a sandstone. Walpole township again takes the lead in Haldimand county for activity in drilling. The ratio of dry holes to producing wells is high, but the producing wells were more than average in production.

49 Ontario Rigs Drill

In 1934, 49 drilling rigs were engaged in drilling natural gas wells in Ontario. As a result of this activity, 217 producing wells with a total footage of 187,430 feet and 77 dry holes aggregating 86,681 feet were drilled; this represented an increase of 42,490 feet over the 1933 footage.

On December 31, 1934 there were 2,869 wells producing gas in Ontario. Sixty wells were abandoned during the year.

The companies operating in this industry in Ontario during 1934 reported a total capital employment of $42.8 millions. The industry furnished employment to 486 salaried employees and 588 wage-earners who received a total remuneration of $1.1 millions in 1934.

Get Flow in Saskatchewan

Drilling operations at Lloydminster, Saskatchewan, resulted in the bringing in of a large gas producer at a depth of 900 feet. Commercial production commenced in October and the total output for the year was 13,781 thousand cubic feet.

Quebec Power

Lower Rate Schedule Affects Income—Dividend Is Covered

Quebec Power's income statement for 1935 reflected the lower rate schedule put in force by the company at the beginning of the year. Both gross and net income were off about $100,000, but profits were sufficient to cover the dividend on the common stock.

During the latter months of the year, gross revenues started to move ahead. While the gain was not sufficient to offset the earlier losses in 1935, the outlook for 1936 is considered promising.

No financing was undertaken by the company last year and the balance sheet as at the end of 1935 shows little change from that reported at the end of the previous twelve months.

Capitalization—	Authorized	Outstanding
Com., n.p.v.....	600,000 sh.	553,198 sh.

Over 57 per cent of the outstanding common stock is owned by Shawinigan Water & Power Co.

Funded Debt—

1st mtge. 5% collateral trust s. f. bonds and debenture stock, authorized ‡$100,000,000:

	Outstanding
Series A bonds, due 1968......	$7,987,500
Series A deb. stk., due 1968...	3,748,133
Series B bonds, due 1972.....	435,000
Series B deb. stk., due 1972†..	$1,000,000 issued.

†$817,500 held in treasury; $182,500 deemed by sinking fund.

‡This authorization covers both bonds and debenture stock, which rank pari passu: $12,000,000 was authorized for issue as Series A which was divided $8,106,500 bonds, and £800,000 ($3,893,500) debenture stock.

$7,500,000 was authorized for issue as Series B of which $1,400,000 was issued as currency bonds and £205,479 ($1,000,000) as sterling debenture stock.

Dividend Record—

Common—$1 per annum, payable quarterly, Feb., May, Aug. and Nov. 15.

Head Office—Quebec, Que.

Officers and Directors—

Officers — Julian C. Smith, pres.; Howard Murray, vice-pres.; W. S. Hart, treas.; James Wilson, sec.; J. E. Tanguay, gen. mgr., Quebec.

Directors—Hon. Lorne C. Webster, Julian C. Smith, Howard Murray, W. S. Hart, C. H. Branchaud, Dr. Milton L. Hersey, James Wilson, Hon. J. P. B. Casgrain, Montreal; John T. Ross, C. E. Taschereau, J. H. Fortier, Hon. George Parent, Hon. D. O. L'Espérance, A. C. Picard, Col. John H. Price, J. E. Tanguay, and J. S. Royer, Quebec, Que.

Times Bond Interest Earned:*	1935	1934	1933
Before deprec.....	2.65	2.77	2.71
After deprec.	2.08	2.19	2.28

*Before transfer to contingent reserve.

Earnings per Share and Dividend Record:			
Common: Earned.	$1.07	$1.22	$1.36
Paid	1.00	1.00	1.00

Market Record—

Common:	1935	1934	1933
High	17½	20	24
Low	13	15	11

QUEBEC RAILWAY, LIGHT & POWER

Capitalization—	Outstanding
Preferred	$ 750,000
Common	2,500,000

All owned by the Quebec Power Co.

Funded Debt—

6 per cent, 1st mortgage bonds A, due 1970; outstanding $2,000,000. All owned by Quebec Power Co.

6 per cent series B, due 1972, $1,000,000. All owned by Quebec Power Co.

Officers and Directors—

Officers—J. C. Smith, pres.; W. S. Hart, vice-pres.; H. G. Budden, sec.; J. Wilson, treas.

Directors—J. C. Smith, H. Murray, J. E. Tanguay, W. S. Hart, J. Wilson.

Maritime Tel.

Operations Keep Pace With Tempo of Business — Cut in Interest Charges

Maritime Telegraph and Telephone Co.'s financial statement for 1935 shows an increase in gross income, which is reflected in a larger amount available for dividends on the capital stock. After payment of all charges, there was a surplus of $18,503 compared with $8,110 in 1934.

Toll messages handled by the company last year numbered 1,339,375, or 3.5 per cent more than in the preceding year, and the second consecutive year toll traffic has increased since 1933.

Expect Trend to Continue

The management anticipate a continuation of the improved trend in toll and local traffic and a larger increase in stations than in the preceding two years.

Early this year the company carried out a refunding operation designed to reduce interest charges. A new 30-year bond was put on the market carrying a six per cent coupon until 1941 and a 4½ per cent coupon thereafter until maturity. As a result of this conversion, all of the company's bonds are first mortgage bonds.

Capitalization—	Authorized	Outstanding
Pref., par $10....	$7,500,000	$1,500,000
Com., par $10....		3,621,390

Funded Debt—

Refunding bonds, series A, 5 per cent, due 1956, outstanding $1,500,000.

Series B, 6-4½ per cent due 1966, outstanding $1,500,000.

Dividend Record—

Preferred—7 per cent per annum, payable Jan., April, July and Oct. 1; paid regularly.

Common—6 per cent per annum, payable Jan., April, July and Oct. 1; paid regularly since initial payment at that rate on Apr. 1, 1933; former rate had been 8 per cent.

Head Office—Halifax.

Officers and Directors—

Officers — J. H. Winfield, pres. and man. dir.; W. A. Winfield, gen. mgr.; C. A. B. Bullock, compt.; T. N. Goudge, sec.-treas.

Directors—E. L. MacDonald, A. MacKinlay, C. H. Mitchell, G. F. Pearson, J. H. Winfield, Halifax; J. E. MacPherson, C. F. Sise, Montreal; A. J. Campbell, Truro; George Killam, Yarmouth; James McConnell, Sydney; J. W. McLeod, New Glasgow; Hon. F. R. Davis, Bridgewater, N.S.

Years End. Dec. 31:	1935	1934	1933
Times Int. Earn.* ..	3.21	3.07	3.12

*After rent, miscellaneous deductions and other interest.

Earnings per Share & Div. Record:			
7% pref.: Earned	$2.27	$2.19	$2.08
Paid	0.70	0.70	0.70
Common: Earned	0.65	0.62	0.58
Paid	0.60	0.60	0.80

Market Record—

1935	H	L
Common	12¾	12
Preferred	15	14½

ATLANTIC UTILITIES

(Wholly owned subsidiary of Maritime Telegraph & Telephone Co.)

Capitalization—	Authorized	Outstanding
Com., n.p.v.*....	300,000 sh.	270,000 sh.

*Entire issued stock held by parent company.

Funded Debt—

1st mtge. & coll. trust 5% bonds, series A, due 1963, outstanding $500,000; 1st mtge. 6% bonds (closed) due 1943, of the Island Telephone Co., outstanding $100,000.

Officers and Directors—Same as parent company.

Utility Control Is Tightened

Regulatory Boards Take Stronger Stand—Quebec Move Important

Conditions in the electric power industry in Canada showed a more marked tendency toward improvement in the past year. Output of power reached record levels, as also did consumption. While deliveries of low cost energy to electric boilers took a larger share of the total, demands from industrial, commercial and domestic sources moved ahead in an encouraging manner. Revenues did not keep pace for the reason that operating costs were higher, while the lower rate schedules put into effect by some of the larger operators have not as yet been offset by increased consumption.

One feature of the situation has been the growing governmental control of public utilities. This in itself is not a bad feature as the powers granted to the utility companies virtually made it necessary that they be subservient to the public interest. Moreover power is a necessity and as such there is a tendency for government to assume closer control over all phases of the power industry.

Boards Have Been Helpful

For several years all of the provinces have had in force public utility boards. Control exercised by these regulatory bodies varies widely. In some provinces they rule on extension of lines, new capital expenditures, rates, finances, in fact everything having to do with the operation of a utility system. In other areas control is of a limited character.

These regulatory bodies, generally speaking, have taken their work seriously and have been an influence for good in promoting the development and use of power along sound lines.

Quebec Creates Commission

The outstanding move toward regulation of utilities of late took place last year in Quebec, when the provincial government created legislation for the setting up of a power commission. This followed an investigation of the utility situation by a committee of three under the chairmanship of Hon. Ernest Lapointe. This body found that the power situation in Quebec was not as bad as had been painted by some opponents of private ownership, nor was it quite as good as the believers in private ownership would have the public believe.

Before the appointment of the present power commission, Quebec exercised a form of control over the power industry, but the regulations were of a limited character. Not so with the new commission, which has complete jurisdiction over all phases of the utility business, from the extension of a line to the issuance of new bonds.

Commission to be Buffer

The new Quebec power commission should be a source of strength to the privately-owned companies. It will stand between the operators and ill-reasoned and oft-times unjustified attacks. At the same time the companies will have to conduct their business in such a manner as to be above reproach from either the commission or the public.

So far the increase in regulatory powers in the different provinces has not worked hardships on the power companies. There are no restrictions to prevent them from developing along sound lines. Such developments, however, must be in the public interest and not be dictated, as has sometimes been the case in the past, by financial expediency.

Great Lakes

Earnings of Great Lakes Power Co. have advanced rapidly in the past year due to increased demand for power from active mines in the Michipicoten area of northwestern Ontario and in the mills of the Algoma Steel Corp. at Sault Ste. Marie. The company, which is controlled by Middle West Utilities Co., supplies hydro-electric power to Sault Ste. Marie, Ont., and operates the street railway and St. Mary's River ferry. The company owns one power plant on the St. Mary's River and one on the Michipicoten River with total capacity of 39,200 h.p.

All arrears of dividends on the preferred shares were wiped off with a cash payment of $4.58 1/3 per share on Dec. 20, 1935, and both preferred dividends and bond interest have been covered with a comfortable margin.

The company is developing an initial power plant of 11,000 h.p. capacity on the Montreal River at a cost of $1 million. Ultimate capacity will be 25,000 h.p. to handle the increased demand for power

Capitalization—	Authorized	Outstanding
Pref. red. cum. series A, n.p.v.	26,000 shs.	7,500 shs.
Common, n.p.v.	70,000 shs.	30,000 shs.

Funded Debt—

1st mtge. gold bonds, 6 per cent, due serially 1935-44, outstanding $1,423,500.

Officers and Directors—

Officers—J. A. McPhail, pres.; A. E. Pickering, vice-pres.; O. H. Wing, asst. to pres. and asst. treas.; J. R. Andrews, treas. and asst. sec.; Ethel Hugill, sec.

Directors—J. A. McPhail, A. E. Pickering, J. Dawson, E. B. Barber, O. H. Wing, Sault Ste. Marie; D. C. Green, J. E. Barber, G. A. Mills, N. P. Zech, Chicago.

Dividend Record—

Preferred — Entitled to $7 per annum, payable quarterly, March, June, Sept. and Dec. 15. Paid regularly up to and including Mar. 15, 1933. Payments due June 15, 1933 to March 15, 1934, passed. Payment of $1.75 per share resumed Apr. 16, 1934; $1.25 on arrears paid Oct. 15, 1935; $4.58⅓ per share paid on arrears Dec. 20, 1935, which wiped out the arrears.

Common—None at present. Was $2.66⅔ per share per annum, payable quarterly, Jan., April, July and Oct. 15. Initial dividend at this rate paid April 15, 1932; none paid since.

Earnings per Share and Dividend Record:	1935	1934
Preferred: Earned	$17.56	$7.62
Paid	7+5.83⅓	7.00
Common: Earned†	2.64	0.16

†After allowing full year's dividend on the preferred, but not taking arrears into consideration.

INTERNATIONAL TRANSIT

(Owned by Great Lakes Power Co.)

Capitalization—	Authorized	Outstanding
Com., par $50	$150,000	$150,000

Entire capital stock owned by parent company, and deposited with the trustees as additional security for that company's bonds.

Earns. per Share and Divd. Record:	1935	1934
Earned	$3.94	$0.67
Paid	3.50	nil

C. P. R. Seeks Authority For Further Stock Issue

Will Use Convertible Security Until Times More Settled for Additional Financing — Annual Report Is Exhaustive

From Our Own Correspondent

MONTREAL. — Until conditions become more settled new financing by the Canadian Pacific Railway will be carried out through terminable securities convertible into ordinary stock, though a direct sale of stock may be effected when desirable. Shareholders are asked to authorize the issue of $65 millions of ordinary stock. The amount of stock which can be issued by the company is limited by law to $500 millions and approval of the $65 millions would bring the amount authorized up to $450 millions.

This is one of the salient features of the statement for 1935, which, reflecting the rules adopted by the Securities and Exchange Commission in the United States and various rulings of the Interstate Commerce Commission, is more complete than any report since 1932.

The statement on earnings has already been published and the current report is of interest mainly from the point of view of the balance sheet and comments by Sir Edward Beatty, on results for the past year.

Expenses Offset Gain

Though there was an increase of over $4 millions in gross operating revenues last year, expenses increased by more than $6 millions, making for a decline of $2 millions in net operating revenue for 1935 compared with 1934.

There were moderate increases in earnings from coal, paper, refinery and smelter products and substantial increases in lumber, woodpulp and petroleum products. Earnings from grain and grain products again showed a reduction, being lower than in any year since 1914.

However, conditions in regard to both freight and passenger traffic recorded an improvement in the closing months of the year.

The increase in expenses was due to a variety of causes, one being an increase in wage rates. Heavy maintenance expenses in B. C. due to snow and flood troubles also boosted expenses. Larger pension disbursements also contributed to the increase.

For the first time since 1928 fixed charges showed a decrease.

Irrigated Land Deal

During the year the contract with the Board of Trustees of the Eastern Irrigation District was completed, resulting in saving in land expenses of not less than $400,000. As a result of this arrangement deferred payments have been reduced by $4.6 millions and unsold lands and other properties by $10.9 millions, involving a reduction in land surplus of $15.6 millions.

Fewer Shareholders

C.P.R. ordinary shareholders at the end of 1935 numbered 72,741, a decline of 1,624 during the year. This decline was made up in the following proportions: Canada, 1,114; United Kingdom and other British Possessions, 140; United States, 281; and other countries, 89.

Last year the C.P.R. sold 124,354 acres of land for $1.2 million, an average of $9.79 an acre. During the previous year sales totalled 120,355 acres, sold for over $1.3 million, or an average of $11.09 an acre.

The number of pensioners increased from 2,591 at the end of 1934 to 2,762 at the close of 1935.

Advances to the "Soo Line" during the year totalled $4.9 millions, which enabled that company to meet all its interest charges and to redeem $825,000 of notes issued in 1932 to the Railroad Credit Corp. and guaranteed by the C.P.R.

Bond Distribution

Bonds and notes of the C.P.R. outstanding at the end of 1935 totalled in the aggregate $187,464,000.

Contingent liabilities of the C.P.R. in respect of principal of securities of companies owning railway lines operated under lease, totalled $11,364,006 at the end of 1935.

Contingent liabilities of the C.P.R. in respect to securities of controlled companies now operated or wholly owned amount to $95,060,332. This sum is largely made up of liabilities in connection with the "Soo Line," the Minneapolis St. Paul and Sault Ste. Marie Railway.

Other contingent liabilities total just under $11 millions. The principal item is $7.5 millions in respect to the principal on certain obligations of the Northern Alberta Railways Co.

During the past year the C.P.R. cancelled land contracts had a value of $2,572,432. This was in contrast to $2,191,649 in 1934.

Fewer Steamships

Ocean and coastal steamships at the end of 1935 numbered 43, with a gross tonnage of $386,800. This compared with 46 vessels with a gross tonnage of 418,211 at the close of the previous year.

The percentage of fixed charges to gross income in 1935 was 79, the same as in the previous year. This is the third largest ratio ever reported by the company.

Disallowing the reserve for depreciation on steamships charged directly against income, net earnings available on the ordinary shares in 1935 were equivalent to 6 2/3 cents a share. In 1934, the company earned 7 cents a share on the ordinary stock.

The book value of investment in Consolidated Mining and Smelting Co. of Canada's stock remains unchanged at $8,412,500, representing 336,500 shares. The market value is about $94.2 millions.

In addition to guaranteeing interest on the bonded debt, the Canadian Pacific has invested $350,000 in preferred stock and $4,500 in the common stock of the Lord Nelson Hotel Co., of Halifax.

Investment in the Cambridge Collieries Co. shows an increase in bond holdings from $250,000 to $280,000. The company also shows, for the first time, $899,300 invested in the company's preferred and $10,000 in the common stock.

Interested in Stockyards

The 1932 report showed holdings of $627,500 in the preferred stock of the Alberta Stockyards Co. The current report shows $450,000; $177,500 was redeemed.

Investment in the Seigniory Club comprises $5 millions in 5 per cent income bonds and 10,000 shares no par value of common stock. The latter cost $500,000.

No particulars are shown regarding the C.P.R.'s investment in Canadian Airways, West Kootenay Power and Light and other enterprices mentioned in previous reports. These investments presumably are grouped together under "Other Investments."

The report shows the company has a financial interest in Eastern Abattoirs Ltd.; Ladysmith Water Co.; Mersey Towing Co.; Quebec Central Transportation Co.; West Ontario Pacific Railway; Toronto Gray and Bruce Railway; Joliette Brandon Railway Co.

C.P.R.'s holdings of the Northern Alberta Railway Co.'s first mortgage bonds now total $6,985,000. The last previously-reported figure was $4,485,500.

Investment in the Mineral Range Railroad Co. has increased by $234,500 of consolidated mortgage bonds and $180,375 in the Hancock and Calumet Railroad Co. consolidated mortgage bonds.

Holdings Increase

Investment in Manitoba South Western Colonization Railway Co. shows holdings of $2.6 millions of 5 per cent first mortgage bonds. The 1932 report showed holdings of $72,000.

All of the capital stock of the Interprovincial and James Bay Railway Co., amounting to $34,000, is owned by the Canadian Pacific.

The railway has acquired $160,600 in new five per cent first mortgage bonds of Manitoba and North Western Railway, capital stock of $1 million in Kalso Slocan Railway and all capital stock in Joliette and Brandon Railway.

In the 1932 statement C.P.R. reported holdings of $900,000 of 5 per cent first mortgage bonds of Algoma Eastern Terminals. These bonds have been redeemed.

Consequent upon the sale of the Minnedosa and Melita and other retirements, the ocean and coastal steamship account was written down from $11.8 million to $104.8 millions.

St. Thomas Ratepayers Ask Hydro Profit "Cut"

Contribution to General City Fund Is Urged

BY R. W. JOHNSON

Auditor, City of St. Thomas, Ont.

ST. THOMAS.—From time to time the question arises of compelling public utilities to contribute by way of taxation to the general revenue of the municipality, and the evasive answer is that its advocates are attacking public ownership. This, of course, is absolutely unfair and misleading. The school board pays the water department for its water supply, the hospital and city hall pay for their light, and the water department pays the streets' department for use of men and repair material. All belong to the municipality, but nobody would say that either should serve the other without inter-departmental entries in the books to ensure reliable figures on operating results. Were our hydro and water departments owned by private companies they would be taxed as other commercial enterprises. Why not make them stand upon their own feet even though publicly owned, and pay their taxes like the others? And unless they do so how is the true cost of their service to be determined?

Fundamental Principles

The fundamental principle of public ownership is service to the ratepayers at cost. The true cost, then, must be arrived at, and the resulting rates must include in addition to ordinary operating expenses provision for retiral of the full cost of the undertaking during the life of the equipment. It is generally advocated that extensions to plant should be financed wherever possible out of surplus earnings, and after this has been provided for the rates should be adjusted so as to return any further profits to the consumers.

This is all well and good when the utility proves to be successful and profitable but the ordinary ratepayer, whether consumer or not, pledged his property as security for the original bond issue and must be considered also. Whether a profitable undertaking the debentures are paid off in due course in twenty or thirty years, and the utility has cost the ratepayer nothing. He can have little complaint if the consumer is then given consideration and a reduction in rates.

Ratepayers Responsible

But look at the other side of it. Suppose the utility struggles along, merely breaking even for ten or twelve years. Who has to do the worrying then? Finally, suppose it goes to the wall as our street railway did some years ago. Who then pays off the debentures, those who rode the cars at less than cost, or the ratepayers who were behind the debentures?

We are often told somewhat brazenly that our gas department has never cost the municipality a cent, and it is as much as said that its consumers own it. When it is scrapped, as it is likely to be some day, will they go down in their pockets to pay off the debentures still remaining unpaid? The street railway never cost the ratepayers a cent either until it went out of business, but we found out who owned it once it became a liability rather than an asset. Five years ago a few short-sighted people, with a personal grudge against the purchasing corporation, blocked what would have been a very profitable deal to sell our gas plant. Had this gone through would the proceeds have been distributed as a dividend among the then gas-consumers? Ridiculous, of course, on the face of it, but after payment of the debentures then outstanding there would have been about $350,000 left over out of the proceeds of the sale. If the general fund of the city had "never been put to an expense of a dollar" on the utility to whom did this nice nest-egg really belong?

Utility Free of Debt

Then as to hydro. Here we have a half-million dollar utility with no indebtedness, paid for in full out of its own earnings in twenty years. It is in splendid condition and ready to continue on a new twenty-year cycle. Good business of course to have had adequate rates and get out of debt. But will not the customers of the next twenty years enjoy much better rates as the result of our having been overcharged? Overcharged is the correct word, for no such undertaking could make half a million dollars in twenty years by giving service at cost. And who was it that in all probability was overcharged the most? The answer is that it was the general fund of the municipality through its street lighting account. If so why is it not time now for the council of the municipality to assert itself and demand cheaper service and a fair contribution as taxes in future as well? The amount morally owing the general fund for taxes for the past twenty years should also be kept in mind.

When the mounting surplus of this department has been pointed out in former years we have been told that no adjustments of rates would be approved by the Hydro-Electric Power Commission at Toronto, and the only concessions made have been occasional cash rebates to customers. But what right had a customer, who possibly came to town only a few months before and was gone again before the year was out, to such a dividend out of twenty years profits on my money?

Nothing Due Consumers

Had the utility not been profitable where would such customers and consumers be on the day of settlement? No matter what may be said to the contrary our hydro department belongs to the ratepayers at large who guaranteed the debentures and took the risks. Through their street lighting account and tax rate they should enjoy the dividends. Consumers have had fair rates and good service. Nothing more is due to them.

If our hydro belongs to our own ratepayers we should not be hampered unduly by regulations as to rates and contracts by the parent commission. Let us ascertain as soon as possible the correct answer to the familiar question "Who Owns Hydro?"

A. R. Graustein to Open New York Law Office

Archibald R. Graustein, formerly president of International Power & Paper Co., is seeking admission to the bar of the State of New York as a member of the Massachusetts bar.

Mr. Graustein is winding up his work with I. P. & P. and International Hydro-Electric System, from which he has resigned. He plans to open legal offices in the New York financial district in a few weeks.

Mr. Graustein graduated from Harvard Law School in 1907, and served with the Boston law firm of Ropes Gray, Boyden & Perkins until 1924, having become a partner in 1911. He became president of International Paper in 1924.

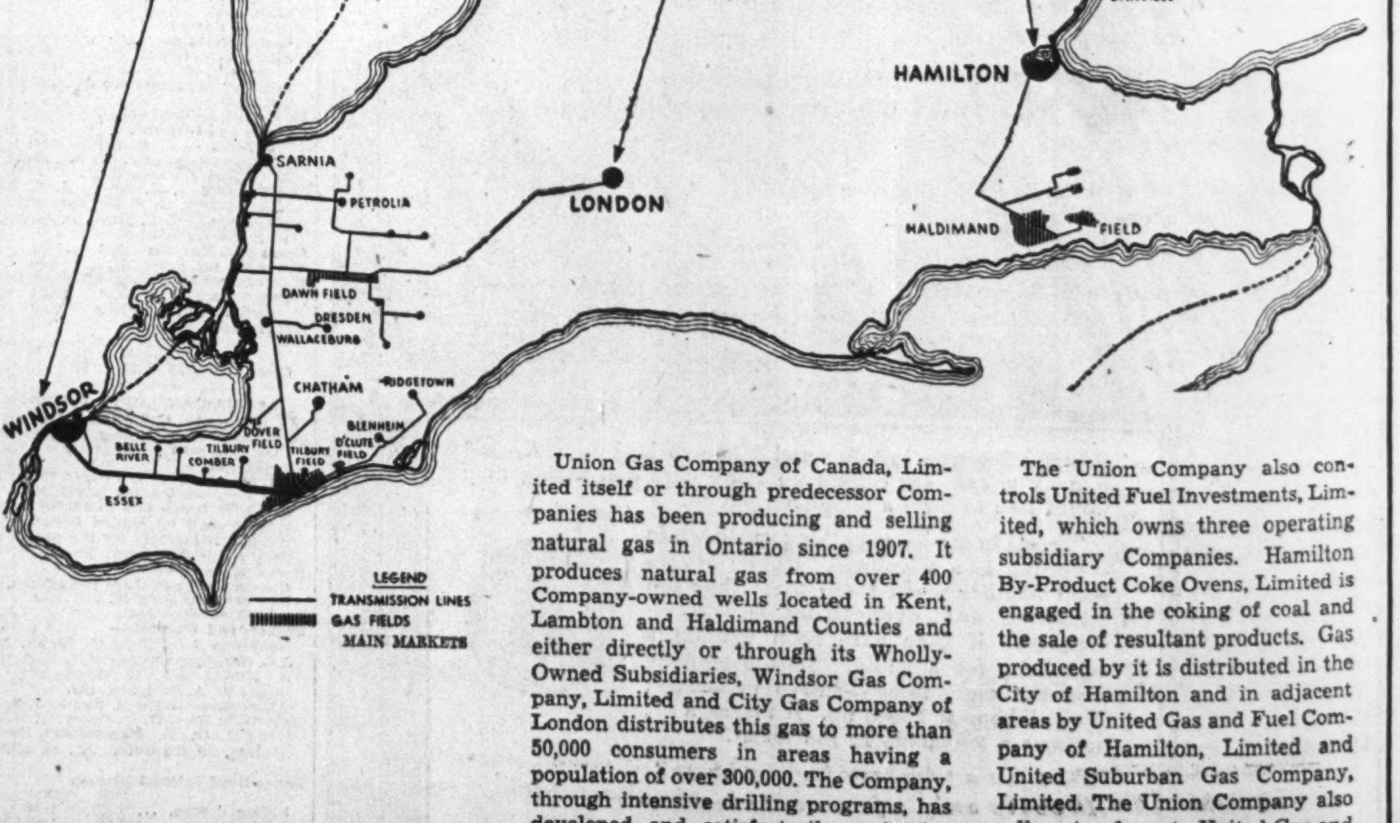
New Industries

Universal Power Sprayer Co., Plymouth, Mich., has appointed Walter C. Holt Canadian distributor with office and warehouse in Belleville, Ont. (Canadian Machinery).

Jos. Donaldson, Ltd., Brandon, Man., will establish a packing and processing industry designed to serve the needs of western Manitoba and provide a livestock market for that district. (Brandon Sun).

Central Alberta Dairy Pool will build a condensed milk plant to cost $100,000 in Red Deer, Alta. It will require 6,000 quarts of sweet milk per day and the output will be 400 to 500 cases. (Edmonton Journal).

UNION GAS COMPANY OF CANADA LTD.
PRODUCING AND DISTRIBUTING NATURAL GAS



Union Gas Company of Canada, Limited itself or through predecessor Companies has been producing and selling natural gas in Ontario since 1907. It produces natural gas from over 400 Company-owned wells located in Kent, Lambton and Haldimand Counties and either directly or through its Wholly-Owned Subsidiaries, Windsor Gas Company, Limited and City Gas Company of London distributes this gas to more than 50,000 consumers in areas having a population of over 300,000. The Company, through intensive drilling programs, has developed and satisfactorily maintains ample reserves of natural gas to supply its present markets.

The Union Company also controls United Fuel Investments, Limited, which owns three operating subsidiary Companies. Hamilton By-Product Coke Ovens, Limited is engaged in the coking of coal and the sale of resultant products. Gas produced by it is distributed in the City of Hamilton and in adjacent areas by United Gas and Fuel Company of Hamilton, Limited and United Suburban Gas Company, Limited. The Union Company also sells natural gas to United Gas and Fuel Company for distribution in a portion of the City of Hamilton.

Union Gas Co.

Large Ontario Company Initiates Important Refunding Operations — Extends Natural Gas Market to London

Union Gas Co. of Canada, which produces, purchases and transmits natural gas to consumers in southwestern Ontario, made far-reaching refunding arrangements in 1935, which materially reduced its interest payments and improved its situation generally.

The company also controls United Fuel Investments, which through subsidiaries makes coke, sulphate of ammonia, motor benzol, tar and gas and distributes the gas in Hamilton and near-by municipalities.

Natural gas sales of the company for the five years ended March 31, 1935, averaged 3 billion cubic feet yearly. On October 1, 1935, arrangements were made by which natural gas was turned into the gas mains of the city of London and thereafter they used that type of gas instead of artificial gas.

Land, buildings, gas manufacturing plants, wells, pipe lines and other fixed assets were revalued by the company's consulting engineer at the end of 1928, with subsequent additions at cost. These are now shown at $12.7 millions less depreciation reserve of $3.9 millions or a net book value of $8.8 millions.

The Natural Gas Conservation Act for Ontario provides that no new rates and no alterations in existing rates for sale of natural gas can be put into effect unless approved by the referee. An appeal from his ruling to the Supreme Court of Ontario is allowed.

During 1935 the company refunded its 7 per cent Hamilton By-Products Coke Oven 7 per cent bonds on a 5 per cent basis. It also issued $4.5 million first mortgage serial bonds, paying 3½ per cent to 4½ per cent, paid off banking indebtedness with the proceeds, and considerable savings have been made in this way.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	1,000,000 sh.	706,189 sh.

Funded Debt—
1st mtge. bonds, rated Dec. 1, 1935: due, $250,000 annually on Dec. 1, 1936-45, inclusive; $2,000,000 on Dec. 1, 1950. 3½%, 1936-1938; 4% 1939-1942; 4½% 1943-1950. To be issued $4,500,000.

Funded Debt of Subsidiaries—
Windsor Gas Co., 5% 1st and refunding mortgage, due 1966 outstanding $1,082,500. City Gas Co., London, 6% 1st mortgage, due 1947: outstanding $207,000.

Dividend Record—
Common—None at present. Last paid special dividend of 10 cents May 1935.

Head Office—Chatham, Ont.

Officers and Directors—
Officers — G. R. Cottrelle, chm. of board; S. A. Morse, pres. and gen. mgr.; D. A. Coste, 1st vice-pres.; R. L. O'Brian, vice-pres.; D. P. Rogers, vice-pres.; R. L. Bevan, gen. mgr., natural gas division; A. R. MacKenzie, compt., sec. and treas.; J. G. Barker, asst. compt. and asst. treas.
Directors—S. A. Morse, D. A. Coste, Chatham, Ont.; Eugene Coste, Arthur F. White, D. P. Rogers, Toronto; W. L. Duffield, London, Ont.; W. J. K. Vanston, New York; R. L. O'Brian, C. M. Kennedy, Buffalo, N.Y.

Times Fixed Charges Earned:

Year End. Mar. 31:	1935	1934	1933
Before deprec. ...	1.95	2.13	2.19
After deprec.	1.43	1.64	1.70

Earnings per Share and Dividend Record:

Common: Earned*	$0.32	$051	$0.56

*Before payment to Union Fuel under contract.

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	10	3¾	6½	3	7¾	2⅜

UNITED FUEL INVESTMENTS
(Controlled by Union Gas Co. of Canada)

Capitalization—	Authorized	Outstanding
Pref., par $100 ..	$25,000,000	$9,000,000
Com., n.p.v. ...	250,000 shs.	100,000 shs.

*Over 99 per cent held by Union Gas. Co.

Funded Debt—
Gen. mtge. 6½ per cent bonds due 1956, outstanding $450,000. Issued bonds all held by Union Gas Co.

Dividend Record—
Preferred—Entitled to 6 per cent per annum. None paid since Oct. 1, 1931.
Common—None paid.

Head Office—Hamilton, Ont.

Officers and Directors—
Officers—S. A. Morse, pres. and man. dir.; A. F. White, vice-pres.; A. Ross MacKenzie, compt., sec. and treas.; H. G. Henry, asst. compt., asst. sec. and asst. treas.
Directors—S. A. Morse, Chatham, Ont.; Judge J. G. Gauld, T. P. Pinckard, J. M. Pigott, Hamilton; A. F. White, J. A. Fraser, Toronto; R. L. O'Brian, Buffalo.

Times All Interest Earned:

Years End. Mar. 31:	1935	1934	1933
Before deprec. ...	2.23	2.20	1.39
After deprec.	1.69	1.72	0.99

Earnings per Share and Dividend Record:

Pref.:: Earned ...	$2.38	$2.73	*$1.76

*After addition of payment received from Union Gas Co. under contract.

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com. .	..	..	3	3	..	..
Pref. .	29	15½	31	9¼	17½	4½

UNITED GAS & FUEL
(Controlled by United Fuel Investments)

Capitalization—	Authorized	Issued
Com., par $100 ...	$2,000,000	$2,000,000

All owned by United Fuel Investments.

Funded Debt—
1st mtge. 5½ per cent bonds, due 1948, outstanding $1,650,000.

Dividend Record—
None paid since 1927.

Head Office—Hamilton, Ont.

UNITED SUBURBAN GAS
(Controlled by United Fuel Investments)

Capitalization—	Authorized	Issued
Com., par $100	$500,000	$306,600

All owned by United Fuel Investments.

Ham. By-products

Improves Position by Refunding in 1935 — Serves Hamilton Gas Co.

Hamilton By-Product Coke Ovens, Ltd., improved its position materially in 1935 by refunding operations. It issued $2.5 millions of series A five per cent first mortgage sinking fund bonds to redeem the company's outstanding $1.2 millions of seven per cent first mortgage bonds due 1943 and to redeeming part of the $1.3 millions of the general mortgage 6½ per cent bonds due 1956.

The management estimated that for the year ending March 31, 1936, net earnings after depreciation and taxes would be $420,000 with which to pay first mortgage interest of $125,000 and general mortgage interest of $65,000.

Working capital position was good. The company manufactures coke and recovers by-products such as gas, sulphate of ammonia, tar and motor benzol. The company is wholly owned by United Fuel Investments, and the gas is sold to its affiliated company, United Fuel and Gas, for sale in Hamilton.

HAMILTON BY-PRODUCT COKE OVENS
(Wholly owned by United Fuel Investments)

Capitalization—	Authorized	Outstanding
Com., par $100 ..	$1,000,000	$1,000,000

All held by parent company.

Funded Debt—
1st mtge. 5% bonds, due 1955, series A, outstanding $2,500,000.
Gen. mtge. 6½%. due 1956, $1,000,000.

Officers and Directors—
Officers—S. A. Morse, pres.; W. L. Duffield, vice-pres.; A. R. MacKenzie, compt., sec. and treas.; H. G. Henry, asst. compt. and asst. sec. and asst. treas.
Directors — S. A. Morse, Chatham, Ont.; A. V. Young, N. S. Braden, J. P. Bell, W. H. Lovering, Hamilton, Ont.; W. L. Duffield, London, Ont.

Canadian Public Service

Gain in 1934-35 Earnings Largely Due to Expansion

Canadian Public Service Corp. is a British Columbia holding company controlling directly and indirectly four operating subsidiaries: West Canadian Hydro-Electric Corp, Canadian Western Telephone Co., Nanaimo-Duncan Utilities, Inland Ice & Cold Storage Co.

Acquisition of Nanaimo-Duncan in 1934 contributed to the rise of the 1934-35 earnings which were also benefitted by good conditions in the Okanagan Valley. Preferred dividends have been halted by a new directorate while working capital and adequate reserves are built up. The former policy of payment of dividends from non-recurring revenues has been discarded as unsound.

Nanaimo-Duncan Utilities, operating on Vancouver Island, is the only subsidiary outside the interior of British Columbia. Operations of other subsidiaries depend largely on Okanagan conditions.

Capital Stock—	Authorized	Outstanding
Pf. 6½% cum., Orig. series.. Ser. A (U.S.) Par value $100.	$5,000,000	$906,700 177,300
Com., n.p.v......	100,000 sh.	100,000 sh.

Funded Debt—
None. In 1934, outstanding 5½ per cent debenture note amounting to $200,000 was funded by the issuance of new debentures of West Canadian Hydro-Elec. Corp. and Canadian Western Telephone Co. Funded debt of subsidiaries as at June 30, 1935, totalled $2,854,479.

Dividend Record—
Preference—None at present, formerly 5 per cent per annum. Entitled to 6½ per cent per annum, cumulative. Original series payable in Canadian funds; Series A payable in U. S. funds. Initial dividend of $1.62½ paid on Jan. 1, 1931, and regularly until Jan. 1, 1935, when quarterly payment of $1.25 made and continued to and including July 1, 1935; none paid since.
Common—None paid.

Officers—Brig.-Gen. J. A. Clark, pres.; G. S. Robertson, sec.; W. P. McDonald, gen. mgr.
Directors — Brig.-Gen. J. A. Clark, R. C. Buchanan, S. Burke, J. E. Elliott, B. H. Gunning, Ross Peers, L. P. Smith, Vancouver.

Head Office—Vancouver.

Earns. per Share and Dividend Record:

	1935	1934	1933
Pref.: Earned ...	$7.34	$5.10	$6.65
Paid	5.37½	6.50	6.50
Com.: Earned ...	0.09	*nil	0.09

*After deducting full year's preferred dividend requirements.

WEST CANADIAN HYDRO-ELECTRIC
(Controlled by Canadian Public Service)

Capitalization—	Authorized	Outstanding
Cl. A, n.p.v....	250,000 shs.	†557 shs.
Cl. B, n.p.v....	100,000 shs.	‡30,000 shs.

†In hands of public.
‡All owned by parent company.

Funded Debt—
1st mtge. gold bonds, 6% due 1950, outstanding $1,000,000.
Debentures convertible, 6½%, due 1945, outstanding $450,000.

Dividend Record—
Class A—Entitled to $1.25 per share per annum cumulative to the extent earned in any year. Initial dividend of 62½ cents per share paid Jan. 20, 1931, for 6 months ended Dec. 31, 1930. Payments following that were: 31¼ cents each April and July 20, 1931; 15 cents each Oct. 24, 1931, Jan. 20, April 20, Oct. 20, 1932, April 20, 1933; $1 Jan. 20, 1935; none paid since.
Class B—None paid to date.

Head Office—Vancouver.

Officers and Directors—
Officers—Brig.-Gen. J. A. Clark, pres.; G. S. Robertson, sec.
Directors—Brig.-Gen. J. A. Clark, J. E. Elliott, R. C. Buchanan, L. P. Smith, Stanley Burke, Ross Peers, all of Vancouver.

Revenue and Expenses

Yr. end. June 30:	Gross Revenue $	Oper. Expenses $	Net oper. Revenue $
1931	129,811	39,714	90,097
1932	142,370	40,854	101,517
1933	147,864	38,237	109,628
1934	151,476	38,585	112,891
1935	163,234	450,206	113,028

City Gas

Large Gains Reported as Company Still in Development Stage

Gross income of City Gas and Electric Corp. showed an increase of 28 per cent in 1935, according to a progress report issued by the company. The number of connected customers at the beginning of 1936 was 3,757, an increase of 17 per cent over the number reported on the same date a year ago. This increase was not distributed over all divisions, the report states, as Three Rivers, the principal operating unit which is still regarded as being in the construction stage, recorded an increase of over 100 per cent in connected customers.

In Three Rivers the company's gas distribution system has been increased from six miles to over twelve miles during the past year. The gas mains now in operation can furnish gas service to nearly 4,000 homes in Three Rivers.

Sell Mortgage Bonds

Last year the company sold a block of $613,000 of first mortgage bonds. The proceeds are being used to complete the corporation's gas distribution system in Three Rivers, other minor improvements and to retire $82,000 in mortgages and pay off all bank loans and other borrowings.

This financing brought the bonded debt up to $900,000. Total assets as at March 31, 1935, are reported at $1.5 million with fixed assets of $915,213, franchised at $50,000 and current assets of $328,338. Deferred assets are shown at $145,696 and dedevelopment account $11,192.

The year end of the company has been changed to March 31, so that particulars of financial returns for the past year will not be available until some time after that date.

Capitalization—	Authorized	Outstanding
Pref., par $100..	$1,000,000	$73,800
Com., n.p.v....	100,000 shs.	73,533 shs.

Funded Debt—
First mortgage bonds, 6½%, due 1951; outstanding $900,000. 1st mtge. bonds of Amos Water & Power, 7%, due 1938, outstanding $75,000.

Head Office—Montreal.

Officers and Directors—
Officers—Lt.-Col. P. L. Browne, pres.; A. G. Urquhart, vice-pres.; J. S. Bock, vice-pres.; J. M. Lyon, sec.-treas.
Directors—Lt.-Col. P. L. Browne, J. S. Bock, J. I. Dupre, J. C. Lallemand, Montreal; A. G. Urquhart, Westmount; John Lowe, Valleyfield, Que.

Dividend Record—
Preferred — 7% cumulative, payable quarterly. None paid to date.
19 Mos. End. Mar. 31, 1935:

Times Interest* Earned 2.38

Earnings Per Share—
Preferred: Earned $19.78
Common: Earned 0.18
*Bond and other interest, including exchange.

Market Record—

	1935 High	1935 Low	1934 High	1934 Low
Common	2½	1½	14¾	1½

Southern Canada

Lower Rates Cut Profits of Eastern Townships Utility

Rate reductions put into effect by Southern Canada Power Co. last year continue to affect earnings. During the first quarter of the current fiscal year ended last December, gross revenue registered a slight decline compared with the corresponding quarter of 1934. It was not possible to offset this decline by economies in operation, with the result that net operating revenue for the three months was $2,064 under that reported for the quarter ended December, 1934.

While power sales of Southern Canada Power increased 10 per cent during the fiscal year ended September 30, 1935, as compared with the preceding twelve months, gross revenue was lower by about $50,000. After prior charges, there was a balance equivalent to 71 cents a share on the common stock This contrasted with 96 cents a share in the previous year and with dividend payments of 80 cents a share.

Investments Record

The last balance sheet of the company, dated September 30, reflects. a reduction in the funded debt to just under $6.6 millions. There was also a reduction in the "investment in and advances to subsidiaries," while other investments are carried on the books at slightly more than $2.5 millions, a minor change from that reported a year ago. The market value of "other" investments, however, increased during the year by over $150,000 to $1,873,649.

During the 1935 fiscal year an amount of $197,420 was transferred from the depreciation reserve for the purpose of writing down the value of certain investments, particulars of which were not disclosed in the report.

Capitalization—	Authorized	Outstanding
Pref., par $100 ..	$10,000,000	$7,088,900
Common, n.p.v.	500,000 shs.	400,000 shs.

Funded Debt—
1st mtge. bonds, 5 per cent, due 1955, series A, outstanding $6,000,000.

Dividend Record—
Preferred—6 per cent per annum, payable quarterly, Jan., April, July and Oct. 15. Paid regularly since initial dividend April, 1920.
Common—Present rate 80 cents per annum, payable quarterly, Feb., May, Aug. and Nov. 15.

Head Office—Montreal.

Officers and Directors—
Officers—J. B. Woodyatt, pres. and gen. mgr.; J. M. Robertson, J. S. H. Wurtele, P. T. Davies, vice-pres.; L. C. Haskell, sec.; C. Johnstone, treas.; V. J. Nixon, asst. sec.; T. Irving, asst. treas.
Directors—J. Davidson, J. M. Robertson, A. J. Nesbitt, P. A. Thomson, J. B. Woodyatt, P. T. Davies, J. S. H. Wurtele, Montreal; R. R. Moodie, Hamilton; W. H. Miner, Granby, Que.; Hon. G. Parent, Quebec; J. S. Gillies, Braeside, Ont.

Years End. Sept. 30:	1935	1934	1933
Times Interest Charges Earned:			
Before deprec. ...	3.87	4.09	3.56
After deprec.	3.18	3.39	2.99
Earnings per Share and Dividend Record:			
Pref.: Earned ...	$10.26	$11.43	$10.51
Paid	6.00	6.00	6.00
Common: Earned	0.75	0.96	0.80
Paid	0.80	0.80	1.00

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Pref. .	100	82	94	72	91	69
Com. .	14½	9½	16	10	19½	9⅞

SHERBROOKE RAILWAY
(Controlled by Southern Canada Power)

Capitalization—	Authorized	Outstanding
Com., par $100 ..	$1,500,000	$1,127,000

Southern Canada Power owns $1,117,500 of the outstanding capital stock. No dividends paid.

Funded Debt—
Sherbrooke Street Railway, 1st mtge., 5 per cent bonds, due 1927*, outstanding $100,000. Sherbrooke Rly. and Power, 1st mtge., 5 per cent bonds, due 1940, outstanding *$822,500. Consolidated gold bonds, 6 per cent, due 1940†, outstanding $500,000.

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*Entire issue held in escrow.
†Outstanding deposited as collateral security for loans.
*Of which $471,000 is outstanding in the hands of the public, and $351,500 held by parent company.

Head Office—Montreal.

Officers and Directors—
Officers—J. B. Woodyatt, pres. and gen. mgr.; L. C. Haskell, vice-pres. and sec.; C. Johnstone, treas. and compt.; V. J. Nixon, asst. sec.; T. Irving, asst. treas.
Directors—V. J. Nixon, A. J. Nesbitt, J. B. Woodyatt, L. C. Haskell, C. Johnstone, T. Irving, Montreal.

Power Board Report Gains

From Our Own Correspondent

MONTREAL. — New Brunswick Electric Power Commission reports a revenue of $924,961 during the fiscal year ended October 31 last, an increase of $72,262 over the preceding twelve months. Expenditures during the year totalled $829,026, leaving a gross surplus of $95,934. Added to this was an amount of $32,421 transferred from reserve for future purchase of power, bringing the total to $128,356. From this was deducted $89,213 from sinking fund and $61,258 for maintenance and renewals, leaving a deficit, after providing for all reserves, of $22,113. This compared with a deficit of $21,676 in the preceding year.

A new unit of 8,330 h.p. is being added at the Grand Lake plant and will probably be brought into operation about the beginning of next month.

Low water conditions at Musquash from August to October last placed full capacity load on the Grand Lake plan and 619,600 kw.h. of energy were purchased from the New Brunswick Power Co.

A total of 20.9 million kw.h. was generated at Musquash and 20.2 million kw.h. at Grand Lake, making the total power requirements at switchboard 41.7 million kwh. Of this amount of power 188,700 kw.h. were sold to the New Brunswick Power Co. during periods of repair to their equipment; 35.5 million kw.h. were delivered to various transformer stations for use of direct and indirect customers of the commission.

On the Road to Recovery in B.C.

Gaining 2,890 telephones (2.71%) during 1935, the B. C. Telephone Company showed an increase for every month with the exception of July, which is normally a poor month because of vacation take-outs.

This was the second successive year in which the Company gained telephones, after three years of losses. In 1934, the gain was 1,232, making a total increase of 4,122 for the past two years.

Figures for the first few months of the present year show the trend upward to be continuing.

B.C. TELEPHONE CO.

VANCOUVER GOLDEN JUBILEE 1936

VANCOUVER'S GOLDEN JUBILEE IS OUR GOLDEN JUBILEE

Fifty years ago the City of Vancouver came into being and fifty years ago the Vancouver gas company—first of the three services supplied by the B. C. Electric Railway Company—was formed.

Forty-nine years ago (in 1887) the first electric company was formed to supply Vancouver.

Forty-six years ago (in 1890) electric street car service, the first street car service, began in Vancouver.

Thirty-nine years ago (in 1897) the B. C. Electric Railway Company was formed to take over the various utility services in Vancouver, Victoria and New Westminster.

Not a long time ago, but what progress has been made in such a short time!

The B. C. Electric is proud of its association with the City of Vancouver for so long a time. The phenomenal growth of Vancouver has been due not a little to the financial ability of the B. C. Electric to provide utility service to meet its ever expanding needs. So, too, in the future, the B. C. Electric will be able to supply any power, gas or transportation service required.

B.C. Electric

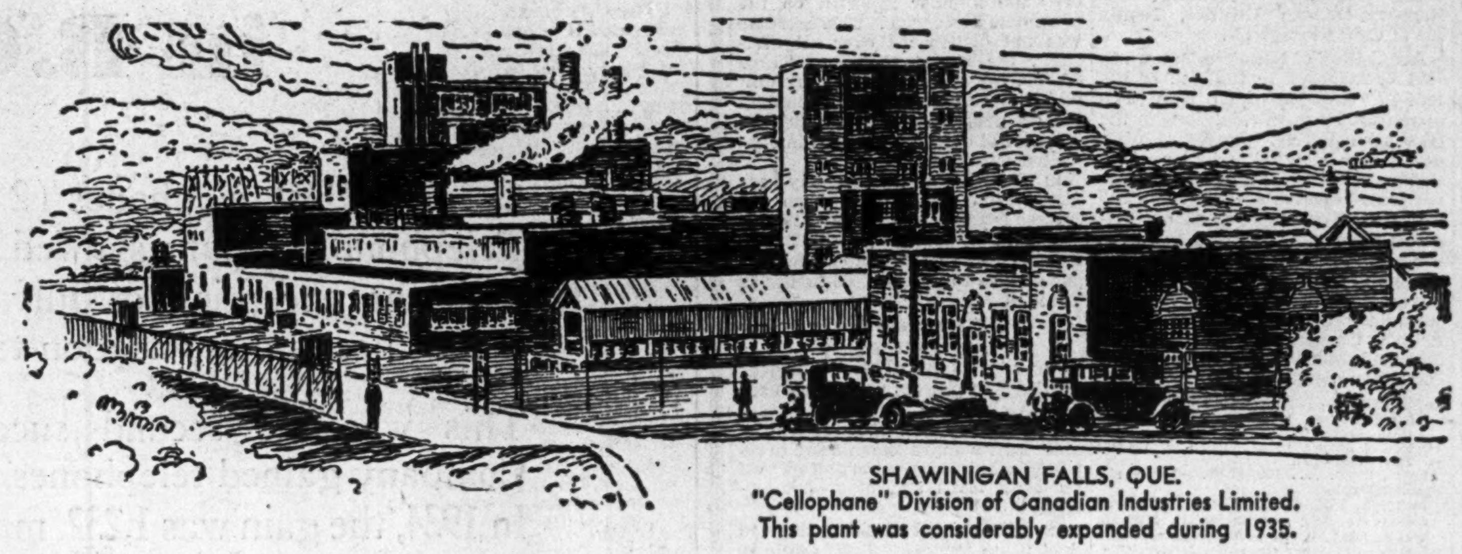
BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LTD.
BRITISH COLUMBIA POWER CORPORATION, LTD.
W. G. MURRIN, President, Vancouver

FIFTY YEARS OF TRANSFORMER PROGRESS

1886
1888
1890
1895
1900
1910
WILLIAM STANLEY
1920
1930
1936

The Evolution of Distribution Transformers over a 50-year Period, since William Stanley's 1886 Model, Is Here Traced in Pictorial Steps, Showing Significant G. E. Developments.

CANADIAN GENERAL ELECTRIC COMPANY LIMITED
Head Office: Toronto—Sales and Engineering Offices in Principal Cities

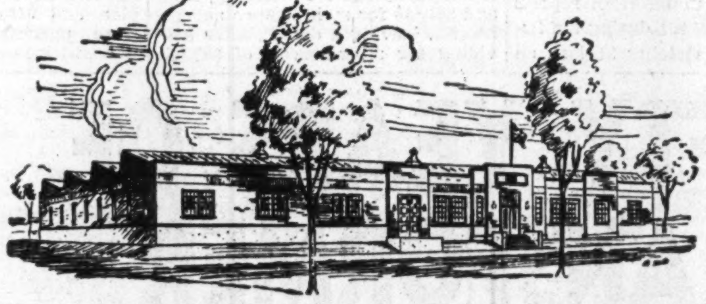


SHAWINIGAN FALLS, QUE.
"Cellophane" Division of Canadian Industries Limited.
This plant was considerably expanded during 1935.

Shawinigan's Proud Record

For a quarter of a century Shawinigan has been, in a large measure, responsible for the industrial growth of the Province of Quebec.

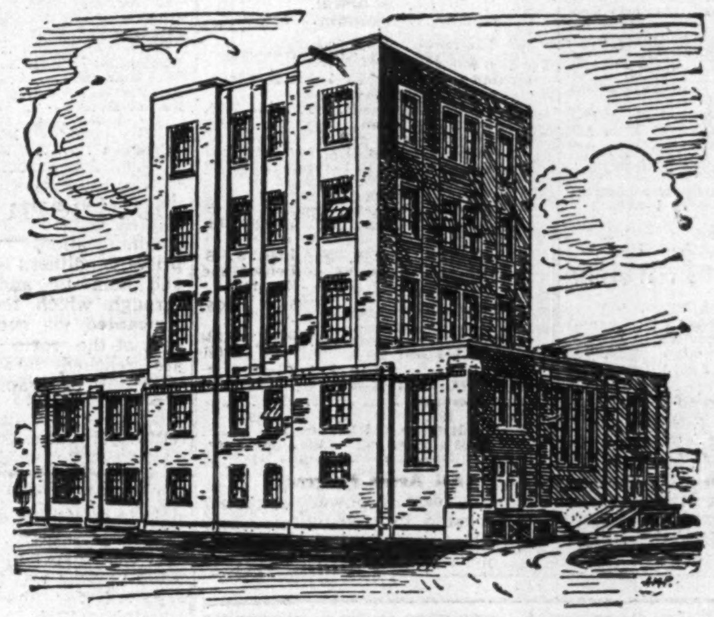
Throughout the years Shawinigan enterprise has steadily advanced the technology of power generation and distribution. In fact, no single year has gone by without witnessing some outstanding technical or industrial accomplishment.



VALLEYFIELD, QUE.
Factory of Asten-Hill Limited, a model plant of 1935.

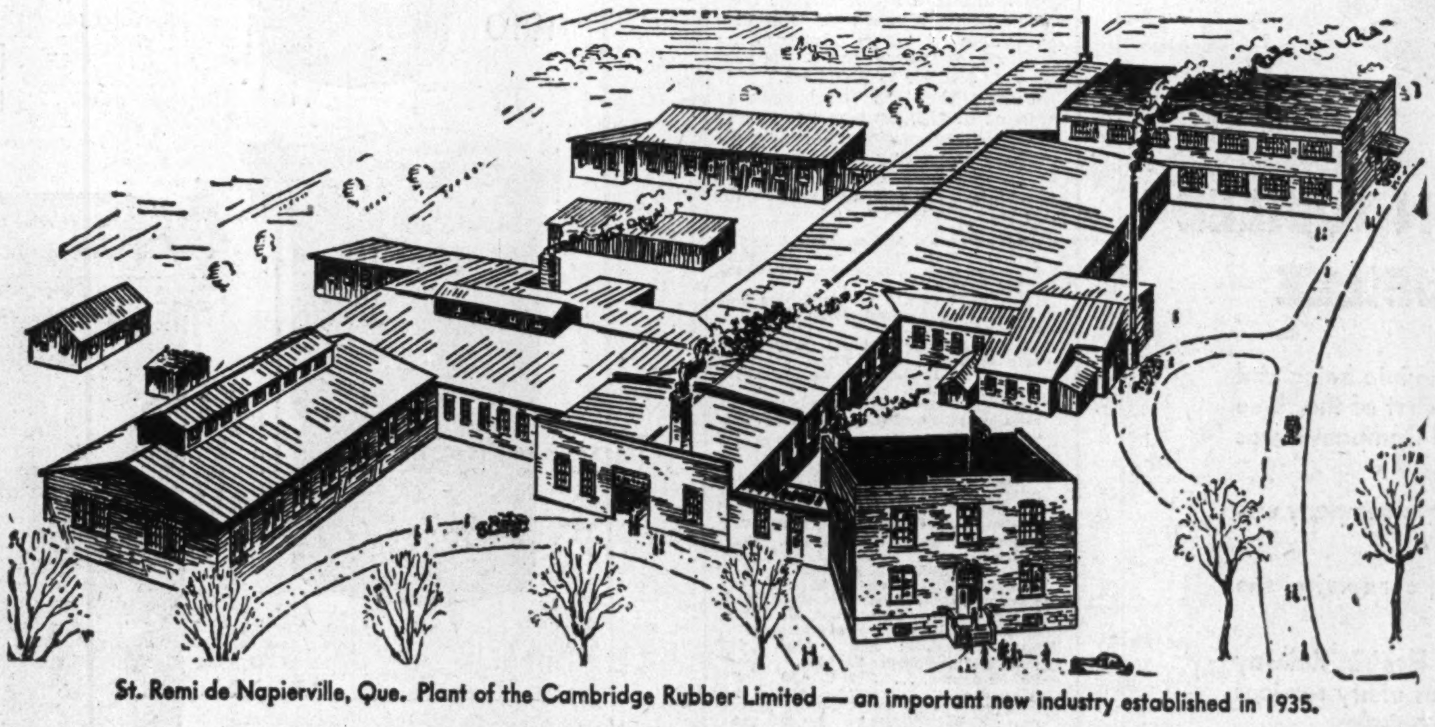
What is the result? Today the Shawinigan system is not only one of the largest on the continent, but it need take second place to none in dependability of power resources, in efficiency of technical equipment, in economy of all its operations and in the effectiveness of its services.

The many new industries which continue to be attracted to the territory served by the company are a direct result of the low-cost power thus made available and of the company's efforts to increase employment and add to the prosperity of the province.



SHAWINIGAN FALLS, QUE.
Hydrogen Peroxide Division of Canadian Industries Limited. Erected and operated in 1935.

Pioneering in Power — Advancing Industrial Development
This is Shawinigan's Proud Record



St. Remi de Napierville, Que. Plant of the Cambridge Rubber Limited — an important new industry established in 1935.

THE SHAWINIGAN WATER & POWER CO.

MONTREAL • CANADA

Bell Telephone

Upward Trend in Station Installations and Long Distance Traffic Encouraging — Strengthen Financial Status

Pronounced improvement in revenues experienced by the Bell Telephone Co. of Canada in the last half of 1935 has continued into 1936.

The financial statement for 1935 reveals earnings of $5.76 a share, as against $6.20 a share in 1934. At the same time the working capital shows a favorable balance of nearly $2.4 millions as against a deficit of about $1.2 millions in 1934. The latter improvement was due in part to liquidation of $1.2 millions in bank loans and the issuance of additional note stock and changes in inventories.

During the past year the company sold 5,229 shares of capital stock to employees on the installment plan, while nearly $700,000 of notes were sold to the trustees of the pension fund. Materials and supplies of $3.7 millions more than doubled during the year, reflecting an inventory which was taken during December, 1935.

Revenues Slightly Lower

Revenues from all sources last year amounted to over $36.1 millions as against $36 millions in the previous twelve months. The 1935 income was about $5 millions, or 12 per cent, below the 1930 high. The decline occurred in both local service revenues, which were down approximately 10 per cent from the peak, and in long distance revenues, down about 26 per cent.

While revenues were well maintained last year, the total income available for interest, dividends, etc., was somewhat less, due to an increase in taxes and operating expenses. After the payment of dividends there was a deficit of $186,398, as against a surplus of $166,824 in 1934.

In the last quarter of 1935, installation of new stations on the Bell Telephone System turned definitely upward. The volume of telephone traffic as measured by local and long distance calls also showed a corresponding rise, with indications of further increases this year.

Stations On The Gain

The maximum number of telephones in service at any time in the Bell Telephone's history was 785,000 in December, 1930. A study of telephone movement for somewhat over three years following that high point, shows that there were 667,000 installations, 783,000 withdrawals, resulting in a net loss of 116,000 telephones at the end of July, 1934. From the beginning of August, 1934, to the end of 1935, there were approximately 241,000 installations and 224,000 withdrawals, a net gain of 17,000 stations. At the end of 1935, the Bell Telephone had installed on its system, 686,000 stations, compared with a high point of 785,000 in December, 1930.

For the first half of last year, the use of long distance telephone service in the Bell system was below 1934, but in the second half of the year, there was a substantial improvement which has continued into the current year.

Capitalization—

	Authorized	Outstanding
Com., par $100	$150,000,000	*$77,938,000

*Of which 24.1% is held by the American Telephone and Telegraph Co.

Funded Debt—

5% first mortgage bonds, series A, due March 1, 1955, $30,000,000.

5% first mortgage bonds, series B, due 1957, outstanding $30,000,000.

5% first mortgage bonds, series C, due 1960, $7,500,000.

Notes sold to pension fund trustee, $6,093,730.

Dividend Record—

Common—Present rate 6% per annum, payable quar., Jan., Apr., July, Oct. 15. Rate reduced from 8% to 7% July, 1932, and to 6% Apr. 15, 1933.

Head Office—Montreal.

Officers and Directors—

Officers—C. F. Sise, pres.; J. E. Macpherson, vice-pres.; P. A. McFarlane, vice-pres.; F. Johnson, vice-pres.; F. G. Webber, sec.; J. Cleugh, compt.; J. R. Logan, treas.

Directors—Hon. T. Ahearn, Ottawa; W. F. Angus, G. Caverhill, J. E. Macpherson, Lt.-Col. Herbert Molson, A. B. Purvis, C. F. Sise, P. F. Sise, Montreal; Hon. H. Cockshutt, Brantford; C. P. Cooper, W. S. Gifford, New York; K. J. Dunstan, Glyn Osler, Toronto; Sir G. Garneau, Quebec; Maj.-Gen. Hon. S. C. Mewburn, Hamilton.

Executive Committee—Hon. T. Ahearn, W. F. Angus, G. Caverhill, K. J. Dunstan, J. E. Macpherson, Lt.-Col. H. Molson, A. B. Purvis, P. F. Sise, C. F. Sise.

Times Bond Interest Earned:†

1935	1934	1933
2.33	2.42	2.28

†After deduction of "other interest," and debt discount and expense.

Earnings per Share and Dividend Record:

	1935	1934	1933
Earned*	$5.74	$6.20	$5.62
Paid	6.00	6.00	6.00

*Based on shares outstanding as at December 31.

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com.	145	118	131	110	120½	80

EASTERN TOWNSHIPS TELEPHONE

(Controlled by Bell Telephone Co.)

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	20,000 shs.	10,554 shs.

Dividend Record—

Common — Present rate 72 cents per share per annum, payable Apr. and Oct. 15.

Head Office—Sherbrooke, Que.

Officers and Directors—

Officers—A. C. Skinner, pres.; H. B. Fletcher, vice-pres.; T. J. Harding, gen. mgr. and sec.-treas.

Directors—J. R. Collins, R. Neilson, J. E. Choquette, W. R. Stuart, Montreal; H. B. Fletcher, T. J. Harding, A. C. Skinner, Sherbrooke, Que.; J. W. Quinn, Windsor, Que.; C. L. Jenkins, Rock Island, Que.; W. T. Oughtred, Marbleton, Que.; D. B. Hopkins, Coaticook, Que.; E. T. McGovern, Richmond, ue.

Earnings per Share and Dividend Record:

	1935	1934	1933
Common: Earned	$0.54	$0.83	$0.82
Paid	0.72	0.72	0.72

FARMERS' TELEPHONE CO.

(Controlled by Bell Telephone Co.)

Capitalization—

	Outstanding
Common, par $25	$99,400

Head Office—Howick, Que.

Officers and Directors—

Officers—G. O. Cameron, pres.; James Sills, vice-pres.; W. F. Welch, gen. man. and sec.-treas.

Directors — G. O. Cameron, W. R. Stuart, R. Neilson, Montreal; James McKell, John McKell, Riverfield, P.Q.; J. Houston, Howick Station, P.Q.; W. F. Welch, J. E. Ness, Howick, P.Q.

Earnings per Share and Dividend Record:

Year End. Dec. 31:	1934	1933	1932
Pref.: Earned	....	$5.10	$5.88
Paid	....	3.00	6.00
Com.: Earned	$1.14	....	....
Paid	1.12½	....	....

Quebec Phone

Consolidation of Funded Debt Strengthens Financial Position

Quebec Telephone and Power Corp., operating in the lower St. Lawrence area, has experienced a decline in net earnings in recent years, but this trend appears to have been checked. However, net income, after depreciation, has been sufficient to cover interest charges.

Last July Quebec Telephone and Power called for redemption all of its outstanding series B first lien collateral trust bonds, maturing ordinarily in 1952, at par with a premium of two per cent. These bonds were issued in 1927 and at the time of redemption there were outstanding $128,100.

Issue New Bonds

The necessary funds for the redemption of these bonds were provided for through the sale of $375,000 of five per cent first mortgages and collateral trust bonds. With the redemption of the company's own bonds, together with those of its subsidiary the National Telephone Co., Quebec Telephone consolidated its funded debt in the one issue.

Quebec Telephone controls a number of small systems below Quebec City, interconnecting with the Bell Telephone Co. in the West and the New Brunswick Telephone Co. on the east, as well as other independent organizations in the area. The subsidiary units operate nearly 3,000 miles of line, 64 exchanges and over 3,200 stations.

Capitalization—

	Authorized	Issued
Class A, n.p.v.	50,000 shs.	36,286 shs.
Class B, n.p.v.	50,000 shs.	35,196 shs.

Funded Debt—

1st mtge. and collateral trust 5% bonds, series A, due 1955, issued $375,000, used to retire the company's $128,100 5 per cent bonds, due 1952, and the $110,400 6½ per cent bonds of the National Telephone Co., due 1939. Both issues redeemed in July, 1935.

Dividend Record—

Last paid 20c. Jan. 2, 1931.

Head Office—Rimouski, Que.

General Office—Quebec, Que.

Officers and Directors—

Officers—J. A. Brillant, pres.; E. Beaubien, vice-pres.; P. E. Gagnon, sec.

Directors—J. A. Brillant, P. E. Gagnon, C. A. Couillard, Rimouski, Que.; E. Beaubien, Quebec; J. A. Desjardins, Matane, Que.; J. M. Robinson, Saint John, N.B.

Times All Interest Earned:

	1934	1933	1932
Before deprec.	2.78	2.18	2.50
After deprec.	1.23	0.77	1.12

Earnings per Share and Dividend Record:

Class A: Earned	$0.03	nil	nil

Mont. Telegraph

Fixed Income from Leased Lines Covers Dividend Needs

Investment interest in the Montreal Telegraph Co. is limited as the capital stock, of which there is outstanding 50,000 shares of a par value of $40 each, is very closely held.

Properties of the company are leased to the Great Northwestern Telegraph Co., which in turn is now part of the Canadian National Railways Telegraph System. Income is on a fixed basis of $165,000 annually. This is sufficient, after payment of income tax and administration expenses, to pay a dividend of eight per cent on the common stock.

Capitalization—

	Authorized	Outstanding
Com., par $40	$2,000,000	$2,000,000

Dividend Record—

Common—8 per cent per annum, less Canadian Government income tax payable quarterly, Jan., April, July and Oct. 15. Dividends guaranteed by Western Union Telegraph Co.

Head Office—Montreal.

Officers and Directors—

Officers H. E. Rawlings, pres.; J. B. Paterson, vice-pres.; M. P. Domville, sec.-treas.

Directors — H. E. Rawlings, J. B. Paterson, C. F. Sise, G. F. Benson and Lt.-Col. W. Leggat, all of Montreal.

Earnings:

	1935 $	1934 $
Revenue	168,080	168,234
Expenses	165,785	165,670
Surplus	2,295	2,564

Market Record—

	1935 H	1935 L	1934 H	1934 L	1933 H	1933 L
Com.	58¼	54¼	55	50	50	39

All Areas Progress

The increase in power production and demand in 1935 was not confined to any one part of the Dominion, but was evident from coast to coast

The PROVINCE of QUEBEC

Immensely Rich in Her Resources, to be Retained and Developed in Canada's Best Interests

WATER POWER—The physical geography of the Province of Quebec is such as to make its innumerable water falls one of its most valuable natural resources. For the time being, the estimated available power for development has been set at some 13,000,000 horse-power (the largest figure of any Canadian Province), out of which over 3,703,020 horse-power have been developed, which figure represents about 50% of the total turbine installation in the whole of Canada. Considerable foreign capital has been attracted and invested in this industry, which has attained a high degree of efficiency. Of course, the world depression has also in a measure affected it and caused a momentary slackening in the demand for power; but the need of electric current is now so general in modern civilization that most power plants have already returned to normal capacity.

FORESTS—Quebec's virgin forest resources are great wealth producers for the Province—not only in revenue for stumpage dues, sale of timber, et cetera, but as the mainstay of the pulp and paper industry, a source of substantial prosperity throughout the Province. Value of wood cut and of other forestry products for 1934 was $25,483,108.

Of the pulp and paper mills actually operating in Canada, 42 are in the Province of Quebec. For 1934, of the $554,973,891 invested in this industry, $275,423,024 were invested in Quebec Province. Quebec is the leading producer both of wood pulp and paper in the Dominion. In 1934, the production of paper was $61,837,248 for 1,569,538 tons, and of wood pulp $36,837,402 for 1,813,096 tons.

MINERALS—The value of Quebec's mineral production has reached $46,454,000. The mineral possibilities of Quebec are enormous. Whilst noted in the past chiefly for its non-metallic substances—asbestos (Quebec producing 73% of the world's total production), mica feldspar, magnesite, graphite, marble and ornamental stone—with the discovery and development of the metallic deposits in the Western part of the Province, Quebec is now an important producer of gold and copper. Mining laws in Quebec are very liberal and favor the prospector.

AGRICULTURE—Estimated gross revenue from agriculture in 1934 approximated $180,257,000. Mixed farming is highly developed, with dairy products, next to field crops, the most important branch. Some 1934 production values are as follows: Field crops, $98,309,000; dairy products, $45,323,000; poultry and eggs, $7,221,000; fruits and vegetables, $6,313,000; maple products, $1,917,000; tobacco, $831,000; oats (included in field crops), $20,757,000; farm animals, $17,989,000; wool, $772,000; clover and grass seed, $315,000; honey, $357,000.

MANUFACTURING—Quebec's hydro-electric power is not only abundant but is the cheapest in Canada. This plus strategic location in relation to markets, splendid water and railway transportation facilities, excellent labor, and availability of raw materials, has been responsible for the Province's solid and rapid growth industrially. Manufacturing establishments in 1933 numbered 8,070, employing 163,571 workers and representing a capital investment of $1,648,872,387. The gross value of products in 1933 was $653,066,534.

TOURISTS—Both summer and winter tourists find Quebec Province a place of intriguing charm. Good hotels, varied scenery, good roads, winter sports, sensible, well-regulated liquor laws, historic spots, have all combined to increase tourist traffic. It is estimated that motor tourists from United States alone spent $35,000,000 in the Province of Quebec in 1934.

GOVERNMENT

Lieutenant-Governor, **THE HON. E. L. PATENAUDE**

Members of the Executive Council

HON. LOUIS A. TASCHEREAU
Prime Minister and Attorney-General

HON. HONORE MERCIER
Minister of Lands and Forests

HON. JACOB NICOL
Minister without portfolio

HON. J. ADELARD GODBOUT
Minister of Agriculture

HON. JOSEPH E. PERRAULT
Minister of Roads, Mines and Colonization

HON. J. N. FRANCOEUR
Minister of Labor, Public Works, Game and Fisheries

HON. T. D. BOUCHARD
Minister of Industry, Commerce and Municipal Affairs

HON. LOUIS A. DAVID
Provincial Secretary

HON. R. F. STOCKWELL
Provincial Treasurer

HON. JOHN HALL KELLY
Minister without portfolio

For further information write

Office of the Premier, Province of Quebec, Quebec

Dr. L. J. Lemieux, Agent General for the Quebec Government
2 Cockspur Street, Trafalgar Square, London, S.W. 1

Consumers' Gas Co.

Earns Dividends Despite Higher Costs and Taxes Met in Serving Toronto and Vicinity — Trenches on Reserve

Consumers' Gas Co., of Toronto, found its earnings in the year ended September 30, 1935, sufficient to pay taxes, uncollectible accounts, interest charges, the cost of actual repairs and renewals and the regular dividend. To carry out completely the company's statutory obligations relating to the plant and building renewal fund it was necessary, however, to draw upon the reserve fund to the extent of $504,215.

The company continued to pay $10 a share on its common stock as it has done ever since 1873. It is interesting to note that throughout the depression, despite the increasing taxes and the higher cost for raw materials, the company has continued to earn this dividend, after actual depreciation, except in 1933 when $9.23 a share was earned. After legal depreciation in 1935 it earned $6.41 a share.

Actual gas sales declined in volume from 6.5 to 5.9 billion cubic feet of gas in the period 1931-35. They might have been still lower in 1935 except that the company since 1931 has served Scarboro, Leaside, East York, North York, Forest Hill, York Township, Weston, Etobicoke, Swansea, Mimico, New Toronto, Long Branch, Township of Toronto and Port Credit besides Toronto. In September, 1935, the company had 166,544 meters installed compared with a peak of 172,528 in 1932, and 168,803 in 1930, the year before the outlying municipalities were served. Up to 1932 the increase in number of meters installed had been constant.

During this period the company has encountered steadily increasing taxation as well as fluctuations of exchange, customs duties and N.R.A. additions to the cost of the coal bought in the United States.

The sales of gas appliances are increasing, and in 1935 were 35 per cent greater than in the previous year. This continuous development is expected sooner or later to result in greater sales of gas.

The company's securities have always enjoyed a high rating among investors. The management has been excellent and the provincial charter of the Consumers' Gas Co. is an enlightened piece of legislation. The interests of consumers, investors and the community are held in even balance. Relations have therefore been friendly. The City of Toronto has secured all the benefits claimed by publicly owned utilities, with the elasticity, economies and efficiency usually associated with exceptionally able private administration and ownership.

Capitalization—

	Authorized	Outstanding
Common	$25,000,000	$14,055,200

Dividend Record—

Common—10 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Head Office—Toronto.

Officers and Directors—

Officers — Arthur Hewitt, pres. and gen. mgr.; A. H. Campbell, vice-pres.; E. J. Tucker, asst. gen. mgr. and sec.

Executive Committee—Arthur Hewitt, A. H. Campbell, Col. J. F. Michie and F. G. Osler.

Directors—A. R. Auld, A. H. Campbell, L. Goldman, Col. J. F. Michie, Arthur Hewitt, F. G. Osler, C. S. Macdonald, T. H. Wood, T. Bradshaw, and His Worship the Mayor of Toronto, all of Toronto.

Years End. Sept. 30:

Earns per Share and Div. Record:

	1935	1934	1933
Earned	$10.25	$10.01	$9.23
Paid	10.00	10.00	10.00
Market Record—			
High	193	200	190
Low	184	165	161

Postal Tel.

Retains Strong Working Capital Position in Receivership

Postal Telegraph and Cable Corp. has not been able to earn its full bond interest after depreciation since 1930, nor its preferred dividend since 1929.

The company retains still a strong working capital position, but its cash and marketable securities in the interval have been considerably reduced.

The corporation was formed to facilitate the merger of the Mackay system with the International Telephone and Telegraph system. Under one management, it provides a unified and co-ordinated system of communication. This system comprises landlines, telegraphs, cables and domestic and foreign radios through which messages may be forwarded via connections to any part of the world. Canadian points are reached through connections with the telegraph system of the C.P.R.

On June 14, 1935, the company filed a petition for reorganization of the United States Bankruptcy Law. The company has been continuing under existing management. Interest on outstanding bonds and debenture stock has been deferred.

Capitalization—

	Authorized	Outstanding
Pref. 7% non-cum. $100 par	$60,000,000	$30,529,500
Com., n.p.v.	2,000,000 sh.	*1,017,650 sh.

*All owned by International Telephone and Telegraph Corp.

Funded Debt—

Collateral trust bonds or debs., 5 per cent, due 1953; outstanding $60,670,210 ($44,630,530 in bonds, $6,039,680 in debentures).

Dividend Record—

Preferred—7 per cent per annum, non-cumulative, payable 1st Jan., April, July and Oct. Initial dividend paid July, 1928 and regularly to and including Jan. 1931. Dividend due April, 1931, passed; none since.

Head Office—Baltimore, Md., U.S.A.

Officers and Directors—

Officers—Clarence H. Mackay, chm. of board; Sosthenes Behn, chm. of exec. comm.; G. S. Gibbs, pres.; A. H. Griswold, exec. vice-pres.; H. L. Kern, vice-pres. & gen. attorney; E. F. Chinlund, vice-pres. & compt.; W. J. Deegan, R. A. Gantt, J. Goldhammer, W. H. Pitkin, F. W. Phelan, E. W. Stone, vice-pres's.; S. G. Ordway, sec.; J. A. Redegeld, treas.

Directors—Sosthenes Behn, E. J. Berwind, C. E. Calder, E. F. Chinlund, L. L. Clarke, W. J. Deegan, F. J. Fisher, R. A. Gantt, G. H. Gardiner, G. S. Gibbs, J. Goldhammer, A. H. Griswold, H. L. Kern, Clarence H. Mackay, J. L. Merrill, F. C. Page, F. W. Phelan, W. H. Pitkin, F. L. Polk, L. J. Proctor, E. W. Stone, all of New York City.

Times Bond Int. Earned:

	1934	1933	1932
After deprec.	0.37	0.26	0.04

Mackay Cos.

Earnings Drop Materially in 1934 — Statement Soon for 1935

The Mackay Company, controlled by Postal Telegraph and Cable Corp., owns the entire $25 millions capital stock of the Commercial Cable Co. It also owns the whole or a portion of the capital stock of a number of telegraph and cable companies in the United States, Canada and Europe, including the landline system known as the Postal Telegraph System.

Control was fused in 1928 with the International Telephone and Telegraph Corp.

The company paid dividends regularly on common and preferred from 1904 to 1930, and continued it on the preferred for two years after that. Since then nothing has been paid. It earned on preferred $1.72 a share in 1933 and nothing in 1934. The statement for 1935 is not yet available.

THE MACKAY COMPANIES

(Controlled by Postal Telegraph & Cable Corp.)

Capitalization—

	Authorized	Outstanding
Preferred 4%	†$50,000,000	$49,028,000
Common	*50,000,000	41,380,400

Par $100.

*Exchanged under agreement dated Mar. 29, 1928 for preferred stock of Postal Telegraph and Cable Corp. and common stock of International Telephone and Telegraph Co.

†Exchanged for bonds of Postal Telegraph and Cable Corp. $972,000 of issued preferred is held in the treasury.

Dividend Record—

Preferred—Entitled to 4 per cent cumulative payable quarterly, Jan., April, July and Oct. 1. Paid regularly to and including Oct. 1, 1932; none since.

Common—Formerly 7 per cent per annum, payable quarterly, Jan., April, July and Oct. 1. Dividend due April 1, 1931, passed; none since.

Officers and Directors—

Officers—Clarence H. Mackay, pres.; E. F. Chinlund, vice-pres. and compt.; W. J. Deegan, M. W. Blackmar, vice-pres's.; C. R. Rimpo, treas.; S. G. Ordway, sec.

Trustees—Clarence H. Mackay, L. L. Clarke, J. Goldhammer, W. J. Deegan, F. L. Polk, M. W. Blackmar, New York; F. G. Osler, Toronto.

Quinte & Trent

The position of Quinte and Trent Valley Power Co. has not undergone any material change in the last twelve months. The Gair Co., which recently took over Canadian Paperboard, is now operating a pulp mill at Frankfort and thus providing a little additional revenue for the Quinte and Trent Valley Power.

Capitalization—

	Authorized	Outstanding
Pref., par $100	$500,000	$350,500
Com., n.p.v.	10,000 shs.	5,006 shs.

Funded Debt—

1st mtge. 6 per cent series A bonds, due 1955, outstanding $679,800. In Dec., 1930, bondholders ratified an agreement releasing the company from bond interest obligations from Jan. 1, 1931, to July 1, 1932. In May, 1932, all interest payments postponed to July 1, 1934. Sinking fund payments waived for 1930, 1931, 1032 and 1933. In June, 1934, interest further postponed until July 1, 1937, and sinking fund payments for 1934, 1935 and 1936 were waived.

Head Office—Toronto.

Dividend Record—

Preferred—Entitled to 7 per cent cumulative, payable Jan., Apr., July and Oct. 1; paid regularly Jan., 1927, to April 1, 1930; none since.

Common—$1 per share paid in 1927; none since.

Officers and Directors—

Officers—J. G. G. Kerry, pres.; Stanley Johnston, vice-pres.; A. S. Walker, sec.-treas.

Directors—J. G. G. Kerry, C. E. Whitten, Toronto; Stanley Johnston, John Kerry, Montreal; Hon. C. W. Robinson, Moncton, N.B.

N. B. Phone

New Brunswick Telephone Co., in which Bell Telephone Co. of Canada is largely interested financially, has recorded an all-round improvement both in its financial and operating position over the past twelve months. Telephones installed at the end of 1935 numbered 28,789, an increase of 174 during the year.

Toward the end of 1934 the company offered the stockholders a new issue of common stock amounting to 52,860 shares, of which number all but 2,964 were taken up by the shareholders. This stock was paid up during 1935, increasing the outstanding paid-up capital stock to $5,784,840 compared with $5,285,880 at the end of 1934.

Reflecting the improved operations, the gross revenue of New Brunswick Telephone increased about $30,000 to $1,264,818 during the past year. After taking care of expenses, there was $309,241 available to take care of dividends. This was appreciably better than in the previous year.

Capitalization—

	Authorized	Outstanding
Com., par $10	$6,000,000	$5,784,840

Dividend Record—

Common—Present rate 5 per cent per annum, payable Jan., April, July and Oct. 15; reduced from 8 per cent to 6 per cent, April, 1932, and to 5 per cent, Jan., 1933.

Head Office—Fredericton, N.B.

Executive Office—Saint John, N.B.

Officers and Directors—

Officers—Hon. F. B. Black, pres.; J. E. Macpherson, H. P. Robinson, vice-pres.; N. E. Moore, sec.-treas.; O. J. Fraser, gen. mgr.

Directors—W. C. Allison, W. E. Golding, *H. P. Robinson, J. M. Robinson, Saint John, N.B.; *Hon. F. B. Black, Sackville, N.B.; *R. B. Hanson, Fredericton, N.B.; E. W. Mair, Woodstock, N.B.; *J. E. Macpherson, Montreal; Harry O'Leary, Richibucto, N.B.; *F. R. Sumner, Moncton, N.B.; *N. M. Mills, St. Stephen, N.B.; G. P. Burchill, South Nelson, N.B.; W. J. Kent, Bathurst; Hon. G. B. Jones, Apohaqui; J. E. Michaud, Edmundston.

*Members of executive committee.

Earnings per Share and Dividend Record:

Years End. Dec. 31—	1935	1934	1933
Earned	$0.54	$0.53	$0.59
Paid	0.50	0.50	0.50

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Industry Depends on Power

Each year, from 1925 to 1935, Canadian manufacturing industries have shown an increasing dependency on central electric stations for power to operate their machinery, and electricity is steadily displacing other forms of power.

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QUEBEC POWER COMPANY

POWER BUILDING - - QUEBEC

Operating in the District and in the City of Quebec, the terminus of the largest ocean-going vessels entering the St. Lawrence River

POWER

LIGHTING - COOKING
HEATING - INDUSTRIAL

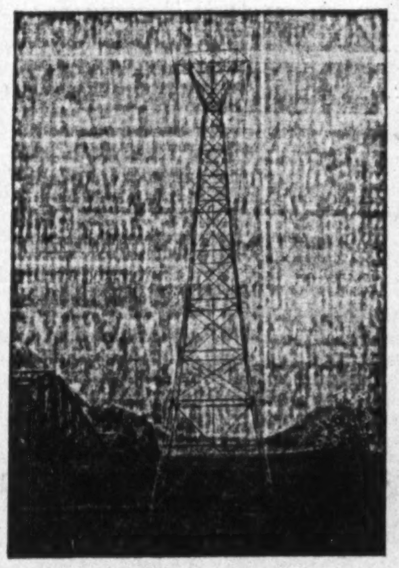
The first power plant was established in Quebec in 1890. Developing and progressing year by year, the present power system renders a public service second to none on the continent. Now owns and operates five power plants, and is interconnected with the Shawinigan System. Supplies the cities of Quebec and Levis, and 83 other towns and municipalities in the surrounding district.

Montmorency Falls, near Quebec City

GAS

HEATING - COOKING
INDUSTRIAL

The first gas plant and piping system was inaugurated in the City of Quebec in 1849, when only a few of the principal streets were piped. Today the Company's vertical retort plant is one of the most modern in Canada, and the distribution system covers almost every street in the City.



St. Lawrence River Transmission at Quebec Bridge

Public Utilities Rendering the Utmost in Good Service to the Citizens of Quebec and District

TRANSPORTATION

The first electric cars started operation in Quebec on July 20th, 1897. The equipment consisted of 36 single truck cars. Today the Company operates over 140 cars, mostly double truck, and operates over 76 miles of track, has two car sheds and a modern workshop in Limoilou.

The Week in Mining

Europe Seems Only Fly In Mine Mart Ointment

Uncertain Conditions Continue to Keep Prices in Jittery Stage — B. C. Moves to Stimulate Mining Industry

Until Europe stops making headlines in Canadian newspapers, it is doubtful if the mining market will cure itself of the attack of "jitters" which, although of a mild nature, has served to take some of the edge off the earlier market boom.

Uncertainty in transatlantic politics has been the only news of real significance on which Canadian markets can bite, with the result that the day to day performance of share prices has borne distinct resemblance to a fever chart.

Apart from this uncertainty, the background of the mining picture has continued to be firm, reports from various fields indicating that after the winter's break-up exploration and development work will have a healthy intensity.

A Popular Suggestion

British Columbia mining circles are welcoming with open arms the suggestion of R. H. Pooley, former B. C. attorney-general, made in the legislature, that taxes be remitted on mining properties until such time as original expenditures necessary in bringing the property to production shall have been returned from production.

The endorsers of the suggestion claim that such a move would result in a flow of capital to the British Columbia mining industry from other parts of this continent and from Great Britain.

The suggestion is not without precedent. In Western Australia mines are not taxed until investors get all their money back, with the result money is reported to be pouring in for the development of that area's mines. It is in western Australia that Premier Mining Co. has extensive interests in the big, low-grade Bell property.

It is not considered likely the British Columbia legislature will be agreeable, in view of present financial conditions, to withholding all taxation until a shareholder's entire investment is recovered, but a modified plan is, The Financial Post understands, being discussed.

Another plan toward stimulating the mining industry is that administration of the mines come under the control of a board consisting of the registrar of companies, a mining engineer, and a financial expert. At present the registrar of companies has full control.

* * *

Nickel Exports

Export of Canadian nickel continues to increase, February shipments being valued at $4,120,000 compared with $2,705,000 in February last year.

In view of the readiness of the public to believe that Canada is somehow guilty in not stopping the export of nickel, it is interesting to note that the largest volume of nickel in all forms went to United States, the United Kingdom being a close second. The United States in February took nickel to the value of $1,717,058; United Kingdom $1,609,174; Norway, where Falconbridge has its refinery, $273,954; Netherlands, $501,260; France, $5,112.

Germany, the sword rattler, imported directly only $10,067 worth of nickel in February.

* * *

Roads to Mine Camps

ONE of the methods to be adopted by the federal government in applying relief funds where they will do most good, is the construction of truck roads into mining camps now virtually shut off from civilization by miles of bush.

This news, which The Financial Post has from official sources, may be of great significance to the mining industry. Although John E. Hammell would prefer railroads, and has expressed doubt as to the efficacy of northern truck roads, there are undoubtedly mining areas which could be developed much more rapidly if the problem of freighting could be overcome.

At a time when the railroad problem is being so much discussed, it is hardly likely the government could be persuaded to embark on any railroad building scheme of any proportions. There are camps where a truck road seems to be the best alternative.

* * *

Index to Mining Stocks

The price index of 23 mining issues recently has lost much of the gain registered since the beginning of the year. The index for the week ended March 19, was 140.5 as compared with 144.8 for the preceding week and 126.2 for the comparable week in 1935.

Twenty gold stocks declined from 123.8 for the week of March 12 to 119.6 for the week of March 19. This index was 125.6 for the week of March 21, last year.

Base metals followed the general current of the market, the index dropping from 230.9 for the week of March 12 to 226.1 for the week of March 19. The index for the corresponding week in 1935 was 133.1.

Leitch Gold Adds to Ore

Recent Drilling Makes Total of 700 Feet in Length

A total ore length of 700 ft. has been proved and indicated at the property of Leitch Gold Mines, in the Thunder Bay district of Northern Ontario, Karl Springer, president says. Recent drilling gave vein intersections over a length of 240 ft. which with two ore sections previously proved, gives the combined length of 700 ft. There is still three quarters of a mile of open ground to the east remaining to be explored.

The new ore shoot begins about 200 ft. east of the No. 1 shoot. Four drill holes gave values ranging from $3.50 to $26.95, over varying widths. The shaft is continuing to its objective of 350 ft., after which lateral work on three levels will be carried on, to give six development faces.

At the Mines

Franklin Gold Mining Co., with property in the Kenora district of northwestern Ontario, reports payment due March 1 under the underwriting agreement dated March 7, 1936, has been extended until May 30, and the option agreement dated May 10, 1935, has been cancelled.

* * *

Hudson-Patricia Gold Mines—Mill construction at this Patricia property is under way, J. M. Thompson, engineer, reports. Practically all equipment has arrived, with the result that production may be reached earlier than formerly expected.

* * *

Little Long Lac Gold Mines—February production is reported to be $100,000, plus $15,000 in concentrates, as compared with a production of $106,000 in January. During both months, operations were curtailed slightly by a temporary power shortage.

* * *

Murphy Mines — whose property in Gauthier township, Timiskaming district of Northern Ontario, has been inactive for some time—reports to the Toronto Stock Exchange that the payment provided by March 10 under the option agreement dated February 6, 1936, has not been made, and the option has consequently terminated by default.

* * *

Wayside Consolidated Gold—With the payment to Granville Stock & Bond Corp. of $8,000 out of production, Wayside has now paid off three quarters of its loan from that concern. The loan, with interest, originally amounted to $32,000, which is secured by a mortgage.

Two Drills Explore Manitoba & Eastern

Two diamond drills, working from surface, are exploring the continuation of the known No. 1 ore zone at the property of Manitoba & Eastern Mines in the Timagami district of Ontario.

Brave Deed Recognized

Alfred Ball, right, former fire-boss at Crow's Nest Coal Co., receiving the award for bravery, presented at the recent convention of the C.I.M.M. in Ottawa. Capt. J. G. Ross, left, president of the institute, made the presentation. Ball, in stepping under a sagging ceiling underground, prevented a mass of rock from falling on one of his co-workers.

Bravery Underground Rewarded by C.I.M.M.

Over 500 delegates to the annual convention of the Canadian Institute of Mining & Metallurgy in Ottawa recently, stood at attention in honor of Alfred Ball, until recently a fire-boss at the Crow's Nest Coal Co. near Fernie, B.C.

The presentation to Fire-boss Ball of the medal for bravery, awarded annually by the C.I.M.M. was one of the dramatic incidents of the convention.

Each year the Institute presents the award for the outstanding act of bravery in a Canadian mine during the past year. The medal is presented at a luncheon, the president of the Institute reading the citation while all members stand.

As in most cases of physical courage, the action which won Ball this year's award was carried out in a split second. He, with his crew, were repairing faulty timbers in the depths of the mine. Without warning, a huge block of rock dropped from the ceiling burying one of Ball's men up to the head. Frantically the crew started to release the writhing man. Glancing up, Ball noticed another section of the low roof breaking away.

Shouting to his crew to step aside, the Welshman stepped into the path of death directly under the sagging rock, bracing it with his shoulders.

With his arms and shoulders holding the rock from falling, Ball called to his crew who rushed back and finished their job of extricating the buried man. When the victim, whose injuries later proved fatal, was released, Ball stepped aside, dodging, by a split second, the falling rock.

On receiving the award, Ball told the delegates that, when he went to the aid of his fellow worker, he "had no thought that he was doing anything out of the ordinary."

The medal was presented by Capt. C. G. Ross, president of the Institute.

Ball, who had been in the employ of the company 27 years, recently resigned to go to the Pacific coast as members of his family, on doctor's orders, were forced to leave the high altitudes in which the mine is situated. He has won recognition for mine rescue work in British Columbia, and in 1923 won the gold medal for rescue work donated by the Blairmore branch of the C.I.M.M.

Ontario's Gold Production Up 14.5 per cent in February

February production of gold in Ontario increased in value 14.5 per cent over February, 1935, figures issued by the Department of Mines indicate.

Due to the short month, February production, from 583,145 tons milled, was valued at $611,006 in Canadian funds, as compared with $6,234,414 in January. Kirkland Lake and Porcupine remained, of course, the two main sources for gold, with Matachewan and Northwestern Ontario maintaining the striking increase noticeable for the past year.

The following table shows production in tons and dollars (Canadian funds) for the two months, January and February:

Gold Outputt by Camps

	1935		1936	
	Tons Milled	Value $	Tons Milled	Value $
PORCUPINE				
January	320,676	2,461,881	321,654	2,654,617
February	285,057	2,448,898	311,340	2,618,662
KIRKLAND LAKE				
January	163,944	2,657,047	166,080	2,767,180
February	149,449	2,475,278	161,112	2,700,890
MATACHEWAN				
January	20,964	97,016	29,280	116,704
February	21,877	93,750	27,863	111,182
NORTHWESTERN ONTARIO:				
January	62,592	335,444	88,541	695,913
February	57,056	318,443	82,830	680,272
Total for Ontario—				
January	568,176	5,551,388	605,555	6,234,414
February	513,439	5,336,369	583,145	6,111,006

Offer Rights In Rose Lake

Prospectors Airways Shareholders Hear Plans

Further details in connection with the formation of Lake Rose Mines are contained in a circular issued to shareholders of Prospectors Airways Co. recently.

Lake Rose Mines, with an authorized capitalization of 3 million shares, $1 par value, will acquire the Rose Lake claims, staked by Prospectors Airways late in 1934, in Currie Twp., Quebec. As vendors, Prospectors Airways will receive one million shares of Lake Rose Mines. To finance development, shareholders of Prospectors Airways are being offered the right to subscribe to 660,000 Lake Rose shares, on the basis of one share, at 40 cents per share, for each share of Prospectors Airways held. These rights are offered to shareholders of record March 31, 1936, and may be exercised any time between April 1, 1936, and April 15, 1936.

The tunnel which Prospectors Airways drove to intersect surface showings at a depth of about 175 ft. from the surface, intersected several veins, two of which showed plentiful visible gold, and were drifted on both east and west. No. 1 vein, for a length of 120 ft. gave average values of 0.45 ounces over a width of 2.3 ft. No. 2, for 140 ft., gave values of 1.37 ounces over 2.7 ft.

To January 31, 1936, Prospectors Airways has spent $113,487 on the property, the report states. In addition to the vendor stock, Prospectors Airways will receive 340,000 shares of Lake Rose stock in return for this expenditure. On completion of the proposed financing, there will be 999,995 shares left in the Lake Rose treasury.

The 660,000 shares of Lake Rose Mines offered as rights have been firmly underwritten by Anglo-Huronian Ltd. at 40 cents per share.

Drilling Again At McMillan

Work from 875-ft. Level May Determine Fate of Mine

From Our Own Correspondent

SUDBURY.—The future of McMillan Gold Mines will probably be decided within the next few weeks by the results obtained from the renewed programme of diamond drilling started last week-end from the 875-ft. level.

If the present programme establishes the extension of the ore of favorable grade to the lower depths, arrangements will likely be made for a more aggressive development campaign. In the meantime, of course, milling operations, which ceased just before last Christmas, remain suspended.

Deep Working Diana Gold Need

From Our Own Correspondent

WINNIPEG.—Ore developments on the 750-ft. level at Diana Gold Mines are said to be encouraging, but also said to place the mine in the position where deepening to at least two more levels, or otherwise down to 1,000 feet is necessary.

A meeting of Diana directors will be held soon and it is likely power requirements will come up for discussion. Wood-fired boilers are used at present, but wood gets more costly month by month and the management is looking over other possibilities. The power line is about 11 or 12 miles away at present, and would likely cost from $3,500 to $5,000 a mile to build.

Patricia Contact Units Exchanged for Gateway

Unit holders in Patricia Contact Syndicate, which recently sold its properties and assets to Patricia Gateway Gold Mines, should eventually receive 350 shares of Patricia Gateway for each unit held, The Financial Post learns. The syndicate for its properties and assets receives $10,000 in cash and 350,000 shares of Patricia Gateway stock. The syndicate had an authorized capitalization of 1,000 units, all of which were issued.

The 350,000 Patricia Gateway shares will be held in the syndicate's treasury awaiting the pleasure of the Ontario Securities Commission, but will eventually be distributed, The Post understands.

Mining Company Reports

McKay (Quebec) Exploration

To finance plans for 1936, an underwriting agreement calling for the sale of the remaining 2,500 shares of McKay (Quebec) Exploration Ltd. has been negotiated, A. H. McKay, president, informs shareholders in the first annual report of the company for the year ended Dec. 31, 1935.

McKay Exploration has an authorized capitalization of 10,000 shares par value $10. A total of 7,500 shares has already been sold. The $15 per share underwriting price represents a premium of $5 per share.

In reporting on the various Quebec discoveries made by the company's prospectors in the previous year, Julius M. Cohen, engineer, recommends drilling on several of them which, he states, show definite promise. These holdings are in Scott twp. Quebec, and adjoining areas.

The balance sheet accompanying the report shows current assets, consisting entirely of cash, of $1,646, with no current liabilities. Exploration and other expense in acquiring claims has been capitalized at $72,854.

Wiltsey Coghlan

Little change in the position of Wiltsey-Coghlan Mines is revealed in the annual report of the company recently released, no development work having been done on any of the company's three groups during the past year.

The company owns property in Rouyn Twp., Dufresnoy Twp., Quebec, and in Fairbank Twp., Ontario.

H. S. Denny, president, states that no financial arrangements have been completed, whereby the company could continue development work on these groups, but that a proposal is under negotiation which has not yet advanced sufficiently far to justify a definite statement.

In the balance sheet as at Dec. 31, 1935, current assets are shown at $15,425 and current liabilities at $698. Current assets comprise cash of $6,326; call loan $1,300; accounts receivable $149, and investments, debentures, at cost of $7,650.

Of an authorized capitalization of 3 million shares, $1 par value, 2,587,385 have been issued.

Hargal Oils Ltd.

Production operations of Hargal Oils, Ltd., of Alberta, during the year were not spectacular, the annual report of the company, just released, indicates.

Due largely to profit on the sale of securities, comprising shares in Premier Gold Mining Co., and Royalite Oil, non-operating income showed an improvement over the previous year.

Among the assets in the balance sheet as at Dec. 31, 1935, are seven per cent first mortgage debentures of Butte I.X.L. Gold Mines, of $22,850. During the year the amount of these debentures authorized was increased from $23,000 to $24,000 for expenditures then necessary for the preservation of the company's security. While no development was carried on at the Butte property during the year, H. G. Eakins, president states results on surrounding properties give basis of hope that work on Butte will be resumed. In the meantime, no action has been taken on the debentures which fell due Dec. 1, 1935.

Hargal has acquired holdings in Renfrew Royalties Ltd. well on section 28, of the Turner Valley field.

The balance sheet at the end of the year shows current assets of $52,119, which includes investment in Royalite, Renfrew Royalty Co., and Butte I.X.L. at cost. Cash and accounts receivable comprise $8,905 of the current assets. Current liabilities are shown at $48.

Profit and loss statement for the year under review follows:

Profit and Loss Statement
Years Ended Dec. 31

	1935	1934
	$	$
Naphtha & oil sales	3,730	3360
Naphtha in storage	......	285
Operat. income	3,730	3,645
Add non-oper. income:		
Interest	595	1,586
Dividends	2,009	805
Transfer fees	15	32
Total income	6,349	5,068
Less operat. expenses:		
Wages & mainten.	1,096	1,770
Royalties	696	388
Taxes & rentals	200	228
	4,357	3,682
Less gen. & admin. exps.:		
Gen. expenses	......	27
Office salaries	3,600	1,800
Office admin.	534	442
Travelling expenses	155	190
Field expenses	246	2,420
Legal fees	65	70
Audit	150	150
Directors' fees	260	260
Annual meet.	158	142
Dom. & Prov. fees	58	58
Bad debts w/o	827	219
Net earnings	*1,896	*2,096
Less: Deprec.	1,843	2,079
Depletion	746	729
Deficit for year	4,285	4,904
Less: Profit on sale of sec.	4,054	3,767
Add: Prev. deficit	15,213	14,076
Balance forward	*15,444	*15,213

*Deficit.

Morris Kirkland

Improved working capital position is shown in a balance sheet struck by Morris-Kirkland Gold Mines, with property in the Kirkland Lake district, as at March 5.

At that date, current assets, including $100,833 cash, totalled $104,353, as compared with current liabilities of $7,822.

Of an authorized capitalization of 2.5 million shares, par value $1, a total of 1,854,009 were issued as at March 5, the balance sheet shows.

Bobjo Mines

Current assets of $69,340, of which $60,961 was cash, is shown in the balance sheet included in the annual report of Bobjo Mines, holding and operating company, for the fiscal year ended Dec. 31, 1935. The company had no current liabilities.

In reporting on developments during the year, R. J. Jowsey, president, states the ambition of the directors is still to make the company an operating, rather than a holding company.

To this end, a number of properties were examined, the most promising being Knee Lake Gold Mines. Development work at depth, however, failed to support early promise, and work on the property has been discontinued. The company's portfolio of holdings shows that at Dec. 31, 1935, it held 700,418 shares of Knee Lake.

Work is proceeding on the development of Jowsey Denton Gold Mines in Denton Twp. about 15 miles west of Timmins, Ont. Bobjo received 300,000 shares of Jowsey Denton for its interest in the property, the portfolio showing that this stock is still retained.

Complete holdings of Bobjo as at Dec. 31, 1935, follows:

Company Holdings

	Shares
Atlin-Ruffner Mines	2,298,310
B. C. Explorers	500
East Rouyn Gold Mines	100,000
Erie Gas Co.	10,000
Forty-Four Mines	6,000
God's Lake Gold Mines	313,616
Jowsey Denton Gold Mines (pooled)	300,000
Karl Springer Exploration Co.	500
Knee Lake Gold Mines	700,418
Manitoba & Eastern Mines	515,648
Mosher Long Lac Gold Mines	10,000
Noranda Mines	500
San Antonio Gold Mines	76,500
Young Shannon Gold Mines	20,000

Income and deficit account for fiscal year ended Dec. 31, 1935, follows:

Income and Deficit Acct.

	Year ended Dec. 31 1935 $
Int. earned	687
Divds. received	21,482
Sundry income	343
Total income	22,512
Less: Adm. expenses	7,769
Devel. exps.	......
Explor. & inspec. of properties	626
Net profit	14,117
Less: Previous deficit	3,172,032
Shares disc., new capital	......
W/o Clearwater Lake prop., account	......
Prospect. & adm. exps., less inc. fwd.	......
Add: Excess option res. 1935 over book value, Clearwater claims	4,433
Deficit forward	3,153,482

*Loss.

Brennan & Kenty Bros.

Cash of $7,862, and no current liabilities, is the financial position shown by Brennan & Kenty Bros. Prospecting Co., in a balance sheet as at Dec. 31, 1935, recently released.

In addition to the cash, the company shows, as current assets, advances to Casey Contact Gold Mines of $467, and to prospectors, $202.

Of the one million shares authorized capitalization, par value $1, 408,105 shares have been issued, the report reveals.

In the revenue account, income from interest earned amounted to $130 for the year. Total expenditures amounted to $15,609, leaving a net loss for the year of $15,479.

Four Parties in Field

No discovery of importance was made during the year, Miner Kenty, president reports. Four prospecting parties were in the field, and covered Little Long Lac, Manitou, Sturgeon Lake, Sturgeon River, Beardmore, Albany, River, and Onoman River areas.

Due to lack of finances, work on Casey Contact property was closed down in September, 1935, with a balance of $10,000 of the purchase price owing to Brennan & Kenty Bros. Since then, Casey Contact was reorganized as Brengold Mines, with shares exchangeable on the basis of three old for one new. A new financing agreement was made by Brengold with New York interests which it is hoped will result in further development of the property, and payment of the balance of purchase price.

The Sturgeon River Claims, sold in 1934 to Mid-Canada Exploration Co. were later dropped by the company, and were then sold to Amorada Mines for 450,000 shares. Work done to date has not given sufficient information to establish values of the claims, and drilling is under consideration.

God's Lake Gold Extends Ore Body

Further development on the third level of God's Lake Gold Mines has extended the new ore shoot recently reported to a length of 125 ft., The Financial Post learns officially. Over this distance the average grade is .40 ounces per ton across an average width of 4.1 ft. The face of the drift is in lower grade material.

At Jowsey Island Gold Mines, development on the 100-ft. level of the B vein, which is parallel to the A vein, has opened a 69.9 ft. length of ore averaging .20 ounces across 3.9 ft. In addition, the A shoot is officially reported to be 113 ft. long, 4.1 ft. wide, grading .53 ounces.

Ardeen Gold

Annual report of Ardeen Gold Mines, with property in the Thunder Bay district of Ontario, consists only of a balance sheet showing that at Dec. 31, 1935, current assets totalled $33,489, as against current liabilities of $33,366. The current liabilities do not include loan from a director of $37,806.

In addition to the directors' loans, there is also a loan from the bank, included in current liabilities, of $10,000, made against bullion shipments.

The balance sheet shows that of an authorized capitalization of 4 million shares, $1 par value, 3,490,152 have been issued.

Annual meeting of the company will be held in Montreal, April 2.

Chib. Prospectors Distribute Assets

Stock Withdrawn from Mining Section of Toronto Exchange

Chibougamau Prospectors Ltd., in accordance with pooling arrangements, is distributing its assets among shareholders, and will surrender its charter.

Sole assets consist of 600,000 shares of Consolidated Chibougamau Goldfields, and 60,000 shares of Northern Chibougamau Mines. Consolidated Chibougamau stock is being distributed to Chibougamau Prospectors' shareholders on the basis of one share of consolidated for each five shares held, and one share of Northern for each 50 shares held. Since the pooling agreement in regard to the Consolidated stock, expired March 24, it is already being distributed to Chibougamau Prospectors' shareholders through Prudential Trust Co., of Montreal and Toronto. The Northern stock is held in pool until Oct. 17, 1936, and Chibougamau Prospectors' shareholders will accordingly receive deposit certificates.

At the close of business on the Toronto Stock Exchange March 24 last, shares of Chibougamau Prospectors became eligible for surrender, and no transfers of shares were effective after that date. Stock was accordingly removed from trading.

Application to list the shares of Consolidated Chibougamau on the mining section did not comply with full listing requirements of the Toronto Exchange.

Plan 40-ton Mill At Shinintree Gold

Lionel Brooke, president of Shinintree Gold Mines which last year acquired the old Bennett gold property in the West Shining Tree district of Northern Ontario, informs shareholders in a progress report that development has reached a stage where installation of a 40-ton daily capacity amalgamating mill is warranted. Mr. Brooke states that he plans to build such a mill by next summer.

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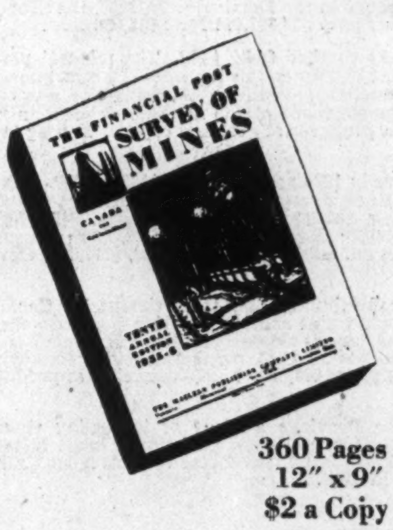

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Pioneer Gold Strikes Vein On Level 20

Development Enhances Outlook for Bridge River Area

ORE PROMISING

From Our Own Correspondent

VANCOUVER.—The main vein at Pioneer has been cut on the 20th level, indicating the big Bridge River producer has discovered values at depth and generally enhancing the prospects of the field.

The main shaft is now down 3,100 ft. Most of the development in the past has been down to the 14th level. Below that, right down to the present bottom of the shaft, stations have been installed and development by means of running level tunnels out to the vein is now being pushed forward. The 16 and 17 levels have been in the vein and ore of increasing richness is being recovered.

Little work had been done on the 18 and 19 levels and interest was concentrated on the results from the twentieth. Now the vein has been reached and the first ore is reported to be extremely promising. The vein there is more than 350 ft. from the main shaft. The vein increases with depth, slanting off at an angle and when the level is run out from the shaft bottom it may be necessary to cut through 500 or 600 ft. of rock to reach it.

Bell's Field Varied One

Well-known Westerner Had Many Irons in Fire

From Our Own Correspondent

CALGARY. — Aggressive, courageous, energetic George M. Bell of Calgary, who died March 19, epitomized the spirit of Western business adventure.

Driving and restless he tended to be somewhat impetuous in his business relationship which sometimes led to serious error: but on the whole his career was a successful one as the world counts success today. An individualist par excellence he liked to control those various enterprises with which he was connected.

Once With Civil Service

In Regina after resigning from the postal service in 1911 he made a commencement in a humble way in the insurance business. This grew to be Bell and Mitchell Limited of Regina and Vancouver. His other interests grew, bakeries, contracting, farming, and their full extent will probably never be known.

His aggressiveness began to find further scope. "The Morning Leader" came under his sway by purchase. Later was added the "Phoenix" of Saskatoon. Subsequently the Leader was amalgamated with the Post and became the forerunner of today's Leader-Post.

Moved to Calgary

George Bell and his associates came out of this deal with a very large amount of cash. In looking for further fields for his energies he went to Calgary in 1926. Here he purchased the "Calgary Albertan" from W. M. Davidson and Rt. Hon. R. B. Bennett, and in association with C. E. Campbell became part owner of the "Edmonton Bulletin." The alliance, however, did not last for long, terminating when Campbell took over the "Bulletin" entirely and Bell the "Albertan."

In Calgary, too, he became more actively interested in the development of oil and gold properties. At the time of the 1928-30 speculative boom he held many rights and properties. Some of them were consolidated into the Albertan Federated Oils of which he became president. Home Oil and Alberta Pacific Consolidated were others in which he was actively interested and he maintained his seat on the boards of these two companies until his death. He participated in the early development of the Cut Bank, Montana field, having both wells and royalty holdings therein.

Into Mining Field

Turning to gold mines development he organized and became president of Perry Creek Gold Mines Limited, a placer enterprise operating on Perry Creek in the Cranbrook, B.C., district. At present the company is quiescent and work has been shut down on the property for lack of funds for some months. At one time director and joint general manager of Dentonia Mines Limited, he differed with others on matters of policy and resigned. Another organization of his was Two Brothers Gold Mines Limited, an operation in the Two Brothers Valley of Northern British Columbia. This enterprise is in process of development, but owing to a short working season, progress has been slow.

Among his newspaper commitments he purchased the Vancouver Star from Victor Odlum in 1929-30. Subsequent events in the markets of the world went to prove that this was an ill-fated time in which to make purchases. The "Northern Mail" at The Pas, Man., intended to provide service to the developing areas of Flin Flon, Sherritt-Gordon and others was maintained and is continuing today.

Trying to Sell Paper

As for the "Calgary Albertan," an agreement of sale to nominees of the Social Credit party of Alberta is in existence. Until the full purchase price, in excess of $600,000, is paid the paper remains under the control of the Bell estate by the terms of the agreement. How much so far has been subscribed for shares is a matter of pure guesswork, except to those with knowledge. It is not sufficient to pay for the newspaper yet. Since, however, the agreement of sale was made by the Albertan Publishing Company, Limited, it is presumable that the conditions thereof will be mandatory on the executors and other shareholders, so long as the Social Credit party wishes to continue the bargain.

Hates Fol-de-rols

Colonel Cole C. I. M. M.'s New President Bites Into Essentials

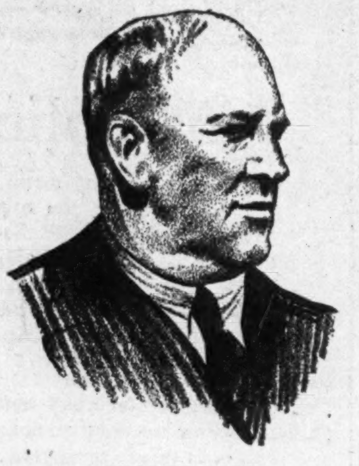
By WILFRID SANDERS

Some 50 years ago, the younger male population of Carleton Place, Ont., were in the habit of sneaking away after school and playing pirate among a group of old lead workings just outside the town.

One of these small boys was called George. While George was as keen on pirates as his companions, he found himself intrigued by the rock formations shown up by the old shafts.

George knew nothing about rocks at that time, and appreciated his ignorance. It was something, he thought, which ought to be overcome.

Recently, this same George was recipient of one of the highest honors which it is possible for the Canadian mining fraternity to bestow on one of their fellows. Lt.-Col. George E. Cole was elected president of the Canadian Institute of Mining and Metallurgy, at its annual convention in Ottawa.



GEORGE COLE

This year's convention was held near George Cole's birthplace, Aylmer, Quebec.

Attends McGill

Col. Cole believes that, while playing in the old lead galena mines at Carleton Place, he was first bitten by what mining men call the "mining bug." In any event, he decided early in life to learn as much as possible about rocks, with the result that, after preliminary education in Ontario and Quebec schools, he entered McGill, and graduated in Arts in 1902. Four years later, he graduated in Science, specializing in mining engineering.

During his university career, George Cole had not too much money. Accordingly, he found it necessary to work for two years, and was employed by Granby Consolidated Mining & Smelting Co. in British Columbia. Although he graduated just about the time when the Cobalt Camp was attracting most young mining engineers, he returned to British Columbia with his brand new diploma and remained with Granby for three years. He then received an attractive offer to return to Ontario and take charge of a property at the famed old silver camp of Gowganda. The property of which he had charge is now part of Castle Trethewey's group near Gowganda.

Yields to Cobalt

Cobalt, which has played such an important part in the lives of most of Canada's men of metal, finally overcame George Cole, and he became associated with the Peterson Cobalt property. Later he went to Sudbury and obtained more than a nodding acquaintance with the rocks of the Long Lac area.

Just prior to the Great War, Mr. Cole was asked to lecture at the Mining School at Haileybury, now government owned.

While at the outbreak of the War, Mr. Cole enlisted with the 159th, this battalion was broken up in England, and, along with William May, of Milton Hersey, Angus Davis, A. Hubert, and other prominent Canadian mining men, he became affiliated with the Engineers.

In England, with the Canadian forces, an incident occurred which probably illustrates, as well as anything in his life, the real George Cole.

Captain Cole, as he then was, was in charge of a group in training in England. On a route march one day the Canadian group passed one of those red-tabbed individuals known as "brass hats," sticklers for the niceties of army life if ever there were any.

The Canadians did not know who the individual was, nor did they particularly care. Accordingly, their captain gave no salute.

Incensed at this disregard for army etiquette, the English "Brass Hat" halted the regiment and addressed Capt Cole. "Don't you know anything?" he stormed. "Don't your men know anything? Here, have that man step out and I'll show him how to salute his superior officer."

He Knew Nothing

Unfortunately for the reputation of Canadian soldiery the man indicated was a Russian who spoke only a few words of English.

"Do you know how to salute?" demanded the English high officer.

The Russian, uncomprehending the question, shook his head.

"Do you know an officer when you see one?"

Again the baffled shaking of the head.

"Do you know anything at all?" The question was supposed to be exquisitely ironical.

The Russian still shook his head.

Exasperated to the point of speechlessness, the English officer dug his spurs into his horse and left in a cloud of fury.

Commenting on the incident afterward to one of his subordinates, from whom The Financial Post got the story, Col. Cole uttered what must be his philosophy of life.

"We didn't know anything about the fol-de-rols of the business. We were there to do a job; that was all that concerned me."

"Let's Get to Essentials"

It is this ability to quietly ignore all the non-essentials of a task and grapple with the essentials which is the outstanding feature of Col. Cole's personality.

George Cole emerged from the war without wounds and returned to his Haileybury school. Shortly afterward, however, the Ontario government offered him a post as inspector, a rôle which he filled for eight years. When the Manitoba Department of Mines was created, he went west once more, and in 1930 became director of mines in the Manitoba Department of Natural Resources.

The appointment of Col Cole to the presidency of the C.I.M.M., an office which he assumes April 1 next, is a double tribute. It is a tribute to the mining industry of Manitoba, which has shown a phenomenal growth in the past decade. But it is also a tribute to George Cole and his dislike for the "fol-de-rols" of the business.

Toronto Lists Argosy Stock

Expect Mill to be in Production by July

Application has been made for listing the stock of Argosy Gold Mines on the mining section of the Toronto Stock Exchange. Argosy, with property in the Patricia district about mid-way between Pickle Crow and Howey, has an authorized capitalization of three million shares $1 par value of which 1,550,005 are outstanding.

The company's new mill will, it is expected, be in operation about July. Funds for development and mill construction have been provided by Northern Canada Mining, Kenty Gold Mines and Coniagas. All equipment for the mill and expansion of the power plant was taken in over the ice and is now at the property.

Officials place present developed ore reserves as having a value in excess of $1 million and sufficient to supply the mill for two years at least on the proposed initial rate of daily production. These reserves do not include any ore below the 400-ft level.

Recently, work has been concentrated on No. 2 vein where the ore has been proved to a depth of 500 ft. Work is continuing at this new lower level.

Find Virgin Area In Veteran Yukon

Subject of Report by H. S. Bostock, Mines Department

One of the tangible results of the "million dollar survey" made in the summer of 1935 under the direction of the Canadian Department of Mines is the recently issued report on the Teslin-Quiet Lake—Big Salmon area in southeastern Yukon. This large area, one of the most accessible portions of Yukon, is practically virgin prospecting territory, it is revealed in the preliminary report by H. S. Bostock.

Beyond the limited amount of placer gold prospecting and some more or less incidental prospecting for lode deposits, the area has been largely neglected, Mr. Bostock states. The report discloses the occurrence of three main groups of rock which are described in detail and their prospecting possibilities discussed.

Copies of the report and map may be obtained from the Director, Bureau of Economic Geology, Department of Mines, Ottawa.

Red Lake Gold Shore Cuts Vein at 150 ft.

In a progress report signed by Charles E. St. Paul, president, Red Lake Gold Shore Mines informs shareholders that the shaft has been deepened to 550 ft., where a large station has been cut and the crosscut has been driven out 150 ft. from the shaft and has intersected the main vein. Crosscutting and slashing on the 300-ft. level in addition to the work on the lower level indicates that the mine average of $23.20 can be expected to be maintained over greater widths, the officials state.

Financial arrangements have been completed, and some $280,000 cash has been placed in the company's treasury.

Smelters Moves To Split Up Stock

Confirming rumors, Consolidated Mining and Smelting Co. announces a proposal to split the company's stock five for one. It is expected the proposal will be presented to shareholders at a special meeting held in conjunction with the annual meeting of the company in April.

The company's option on 600,000 shares at 50 cents a share of Consolidated Chibougamau Gold Fields stock has been taken up and paid for, although an extension until June 30, 1936, has been given.

Under the original option agreement between Consolidated Chibougamau and A. H. McKay, which option had been acquired by assignment by Smelters, blocks "A," "B" and "C" of 600,000 shares each were optioned at 25 cents a share, 50 cents a share and $1 per share respectively. Blocks "A" and "B" have now been completely taken up, and 20,000 shares of block "C" have also been taken up. Smelters have until December 31, 1937, to completely exercise the option on block "C."

Olga Gas Ltd. Shares Listed

Company Reports Activity in Various Gas Fields

Application to list the new shares of Olga Gas Ltd. on the Toronto Stock Exchange has been approved, and the stock was called for trading Friday, March 20, and at that date the old shares were removed.

Olga Gas Ltd. was originally Olga Gas and Oil Co. Ltd., the name being changed by supplementary letters patent March 9, 1936. At that time its authorized capitalization of two million shares no par value was reduced to 800,000 shares, and the capital then increased again to two million shares. Old shares are exchangeable into new on a basis of two new for five old, and the new stock will be good delivery against outstanding transactions in Olga Gas & Oil Co. on that basis. The new company has reserved 800,000 shares to provide for conversion of the old stock, leaving 1.2 million shares in the treasury.

Grant New Options

By agreement dated February 19, 490,000 new shares of the company have been underwritten at 10 cents per share, and options upon treasury shares granted as follows: 60,000 shares at 10 cents per share within 60 days, and 50,000 shares at 10 cents per share within 6 months.

In the listing application, Olga states that up to the present time it has drilled five wells in Raleigh township gas field, Kent county, of which three wells have been in production during the past four years.

In the Tillsonburg field, the company owns the Claude Wilson lease subject to payment of a gross royalty of 25 per cent of the proceeds from revenue derived from the sale of gas, plus $50 per quarter year rental in advance on each gas well. On this property the No. 1 well is producing better than 200,000 cubic ft. a day at 29 cents per 1,000 cubic ft. net to the company. The No. 2 well is being drilled approximately 1,500 ft. southeast of the No. 1, and is drilled to a depth of about 1,100 ft.

Dover Field

In the Dover field, Kent county, the company has a substantial interest in a deep Trenton well, known as Bruett No. 2, now drilling at a depth of approximately 3,200 ft. It is expected to reach the producing horizon before the end of this month. It is proposed to continue drilling in the Tillsonburg field where the structure is favorable.

In a pro forma balance sheet giving effect to the change and dated March 5, 1936, the company shows current assets totalling $835 as against current liabilities of $45,574. In addition to current assets, the company lists its invested assets at a total cost of $314,512.

Power Revenues Improve

Revenues of central electric stations showed a slump from 1931 to 1933, but improved in 1934 and 1935. The output recorded decreases from 1931 to 1933, but established an all-time record in 1934 and 1935.

Sorting the Mines

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock is being dealt with in alphabetical order at the rate of three or four a week as space permits.

Goldale Mines

Goldale Mines operates principally as a holding and exploration company. The latest available portfolio of the company's holdings, as at April, 1934, showed substantial investments in such established producers as International Nickel, Noranda, Bralorne, Wright Hargreaves, Teck-Hughes, Pickle Crow, and others, together with a large interest, amounting as at Dec. 31, 1935, to 59,484 shares in Coniaurum.

In February of this year, the company, in association with other interests, entered into an agreement with Hard Rock Gold Mines whereby it will purchase 200,000 shares of Hard Rock at 45 cents per share, and take options on 200,000 shares at 65 cents and 99,995 shares at 75 cents per share, all options to be exercised by Jan. 1, 1937. In 1934 the company undertook to finance the development of Birch Bay Gold Mines west of Port Arthur. As development work did not prove satisfactory the option agreement was terminated after taking up 148,000 shares.

Goldale Mines has some very well-known mining executives at its head, including J. Y. Murdoch, president, Dr. J. B. Tyrrell and Thomas H. Rea. Its balance sheet as at Dec. 31, 1935, showed cash of $93,478; dividends receivable, $3,550; shares in mining companies, at prevailing market prices $339,151; 59,484 shares Coniaurum Mines, at market prices, $110,640; mortgage receivable, and accrued interest $1,313. Current liabilities comprising accounts payable and accrued charges $1,213.

Price Range of Stock

	High	Low	Last
	1935		
Common	.20	.10	.14½
	1936		
Common	.28	.14½	.18¾

Gold Belt Mining Co.

Gold Belt Mining Co. is developing a gold prospect adjoining Reno Gold Mines in the Sheep Creek area of British Columbia. The stock is listed on both the Vancouver and Toronto Stock Exchanges.

After a programme of surface work which revealed several promising surface showings, North American Mines, Inc., of Boston, Mass., became interested. Accordingly, in April, 1935, the company's authorized capitalization was increased from one to two million shares, par value 50 cents, North American Mines securing an option on the additional million shares. The agreement with North American will involve an expenditure of $217,000 if completely exercised. The North American holdings will be in escrow until $100,000 has been expended, when a portion will be taken down, the remainder to be released when the full sum is spent.

North American Mines is driving a low level tunnel 1,850 ft. below the outcrop and 1,250 ft. below the present No. 6 tunnel. Five veins have been developed to date, showing an average width of two ft., and average values of about .66 ounces. Some time ago, ore reserves were estimated at 26,000 tons, of about this grade.

Last February, it was reported officially that North American Mines had taken up option installments due from January to July, 1936.

Price Range of Stock

	High	Low	Last
	1935		
Common	.46	.18	.29
	1936		
Common	.40	.29	.35

Gold Mountain Mines

This, another B. C. company, has property on Similkameen River, near Hedley, B.C., formerly known as the Pollock Group. The property is held under bond, most of the purchase price being payable 25 per cent of net smelter returns. In addition to the Pollock group, Gold Mountain holds 15 claims by location.

Development has centred on the Pine Knot and Maple Leaf veins, both of which have been developed by shafts and a series of tunnels. Strong values and fair widths are reported from the veins.

The Post understands that the management is considering mill plans, although no detailed estimate of ore reserves has been seen. No recent financial statement has been made, although in May, 1935, the company reported net cash resources of $2,500. It is understood that options have been granted to W. C. Blame on one million shares at prices ranging from two to eight cents per share.

Gold Mountain has an authorized capitalization of two million shares, par value 50 cents, of which 676,910 had been issued at May 31, 1935. An option held during part of 1935 by Consolidated Mining & Smelting Co. was later dropped.

Price Range of Stock

	High	Low	Last
	1935		
Common	.19½	.02¼	.06
	1936		
Common	.09	.05	.07½

Buffalo Ankerite Augments Board

H. J. Carmichael, Everett Bristol Join Enlarged Directorate

The number on the board of directors of Buffalo-Ankerite Gold Mines, Porcupine producer, was increased from seven to nine by a by-law passed at the annual meeting of the company held in Buffalo recently. Subsequent to the meeting, two Canadian directors were elected, H. J. Carmichael and Everett Bristol, K.C.

Mr. Carmichael was recently appointed vice-president and general manager of General Motors of Canada, is a director of the Security, Loan & Savings Co. and a member of the board of governors of Ridley College. Mr. Bristol is president of the Maple Leaf Milling Co. and of the Premier Trust Co.

United Gold Equities Raises Cash Dividend

From Our Own Correspondent

MONTREAL.—United Gold Equities of Canada have declared a dividend of 3 cents a share payable on April 15 to shareholders of record April 6.

The present declaration shows an increase in the quarterly dividend from 2½ cents to $3 cents a share.

Base Metals Corp. Reports on Option

Base Metals Corp. reports that by the agreement dated Dec. 26, 1935, an option has been granted on 200,000 shares at 40 cents per share until Dec. 5, 1936. The option is contingent upon the optionee by June 6, 1936, locating an extension of either the west Monarch or east Monarch lead ore bodies beyond their present zone

Mining Enquiries

Duparquet Mining

I have some stock of Duparquet Mining Co. Some information in this connection would be appreciated.

Some weeks ago Duparquet Mining Co. announced it was going to bring in electrical power and go ahead with underground development on its property—a gold prospect in Duparquet Township, Quebec. The property is developed by two shafts, No. 1 to 90 ft. and No. 2 to 195 ft. Officials report approximately 600 ft. of ore averaging $5 across 25 ft. with gold at $35. This is a fairly low-grade proposition, but there are many mines in Canada with less cost disadvantages than Duparquet operating at a profit on such grade. Whether or not Duparquet can operate this grade at a profit remains to be seen, but development work so far appears to warrant further expenditures on the property. The company has not reported the state of its finances.

Baldwin Gold Mining Co.

I would like to get some information on Baldwin Gold Mining Co. and thought I would take advantage of your enquiry service. Anything you can give me will be very welcome.

Baldwin Gold Mining Co. in 1926 sold its assets to Baldwin Kirkland Gold Mines for 2.5 million shares, which have not, as far as we are aware, been distributed.

Baldwin Kirkland Gold Mines is an inactive company, and in 1934 granted a 99-year lease on its property to Lucky Kirkland Gold Mines, Baldwin Kirkland to receive 15 per cent of gross production as royalty. The property has seen a considerable amount of development work, but is still a long way from production. Latest reports were that Lucky Kirkland planned a diamond drilling campaign from the fourth level before undertaking any further development work. We have seen no ore reserve estimate and the property remains a prospect. Transfer agents for Baldwin Gold Mining Co. are Chartered Trust and Executor Co., Toronto.

Rich Rock

Could you give me the latest news on the progress Consolidated Mining & Smelting Co. is making in the Rich Rock property in Hastings county? I understand quite favorable results are being obtained.

As you are probably aware, Consolidated Mining and Smelting Co. does not release much information on development work at its various optioned properties. This, of course, is because the company does not need to go to the public for money to develop the subsidiary operations.

In connection with the Rich Rock Mines option in Eastern Ontario, recently a new company, Addington Mines, was formed with a capitalization of $3 millions in shares of $1 par. Of these Rich Rock Mines will receive 1.2 million shares, and Smelters will eventually own about 1.8 million shares and control at a cost of approximately $300,000. At the present time, Smelters owns 1,250,000 shares in Addington.

Following an extensive diamond drilling programme from the surface and the 100-ft. level, Smelters has deepened the shaft to 300 ft., and is now drifting from this level along the wide ore-bearing zone disclosed by the drilling.

Although Consolidated Mining & Smelting does not make available results obtained, it is known that the property is geologically favorable to the occurrence of ore. The property was, prior to the entrance of Smelters into the picture, examined by L. B. Wright, consulting geologist, who estimated that the ore body from the surface down to the 100-ft. level and for a length of 220 ft. along the vein would give an average value of $9.02 per ton.

Government geologists have also reported favorably of the area. In view of these reports and the fact that Smelters is continuing its work, this operation appears to be a speculation of fair promise.

Shenango Gold Mines

It has been suggested to me that I buy some stock of Shenango Gold Mines as an investment. I am waiting until I hear from you.

Shenango Gold Mines succeeded Swayze Lake Shore Gold Syndicate, and is developing a gold prospect in Lougheed and Shenango Townships, Northern Ontario, near Oba. Some surface exploration and diamond drilling has been done, and in November of last year the company erected a 25-ton mill. An ore section on this property is said to have been traced for a distance of 2,600 ft., showing a width of 12 ft. and values of $15. However, the fact that we have seen no engineer's report indicating that investigation has been made as to how this ore behaves at depth, makes Shenango still a speculation, although one which certainly gives early promise. Officials state that when the mill comes into production, which will be this month some time, equipment and mill will be fully paid for.

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We would be pleased to execute orders or furnish information on all mining, oil and industrial stocks.

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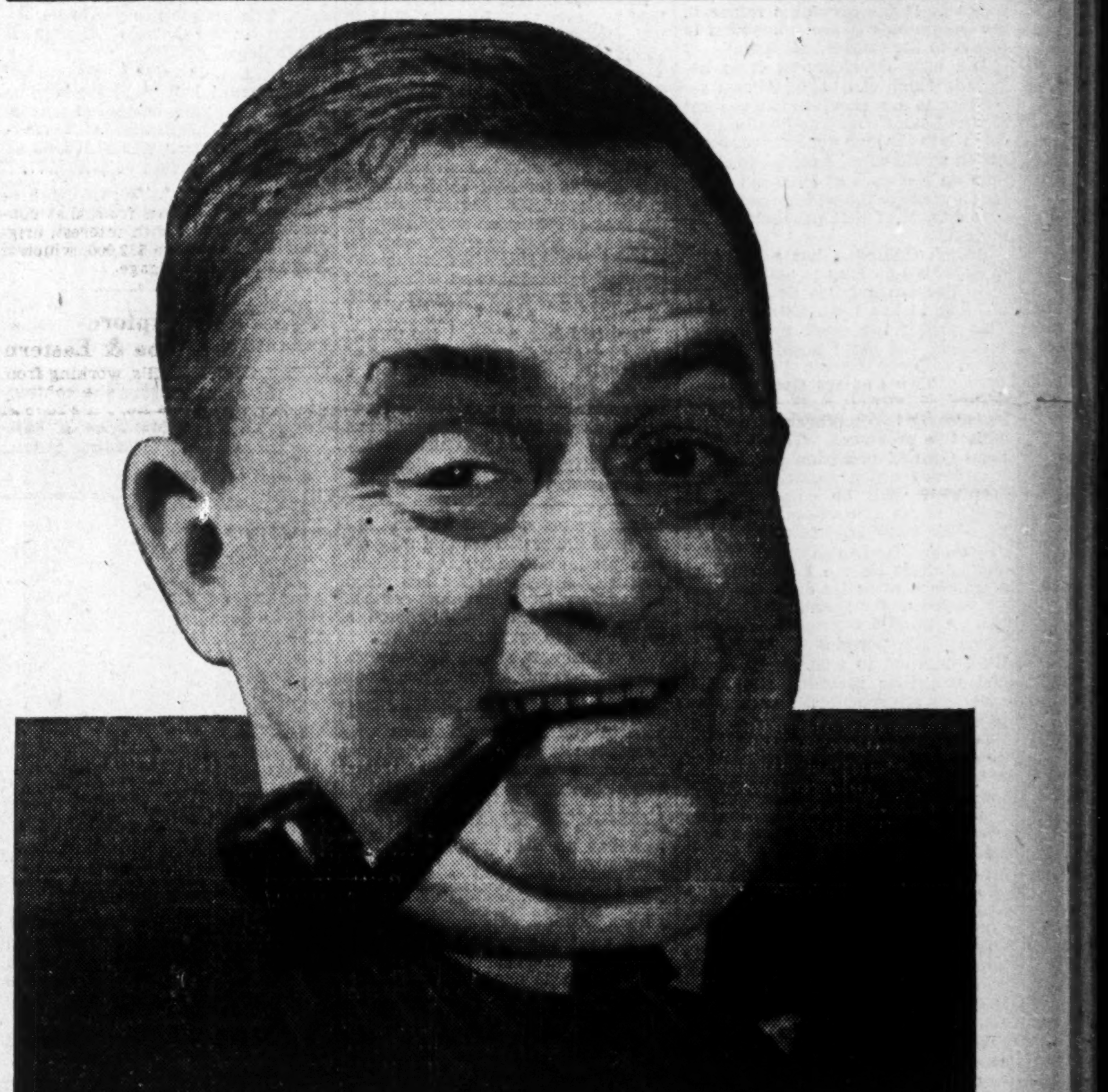

"What I call marching weather"

THIS is the time of year when I like to travel in the South", confessed Mr. Picobac, puffing his pipe. "I've never done it yet, and I don't suppose I ever will. Mother don't itch to travel same as I do—I took a trip from Coast to Coast one time. But mother thinks Sunny, Southern Ontario should be good enough for anybody—in March and all the year round.

"And I guess she's right at that. We don't have such tough winters down here in the tobacco belt. That's why we can grow Picobac Burley. It's the climate.

"Of course, we've got the soil and the man power as well", added the philosopher of the Lake Erie front, lighting another match. "We've got tobacco *experts* in this part of the country—men who make a study of Burley—men who know how to grow it and how to handle it."

"And how to smoke it", added someone.

"Picobac DOES taste good in a pipe", admitted Mr. Picobac chuckling. "Good for making cigarettes, too."

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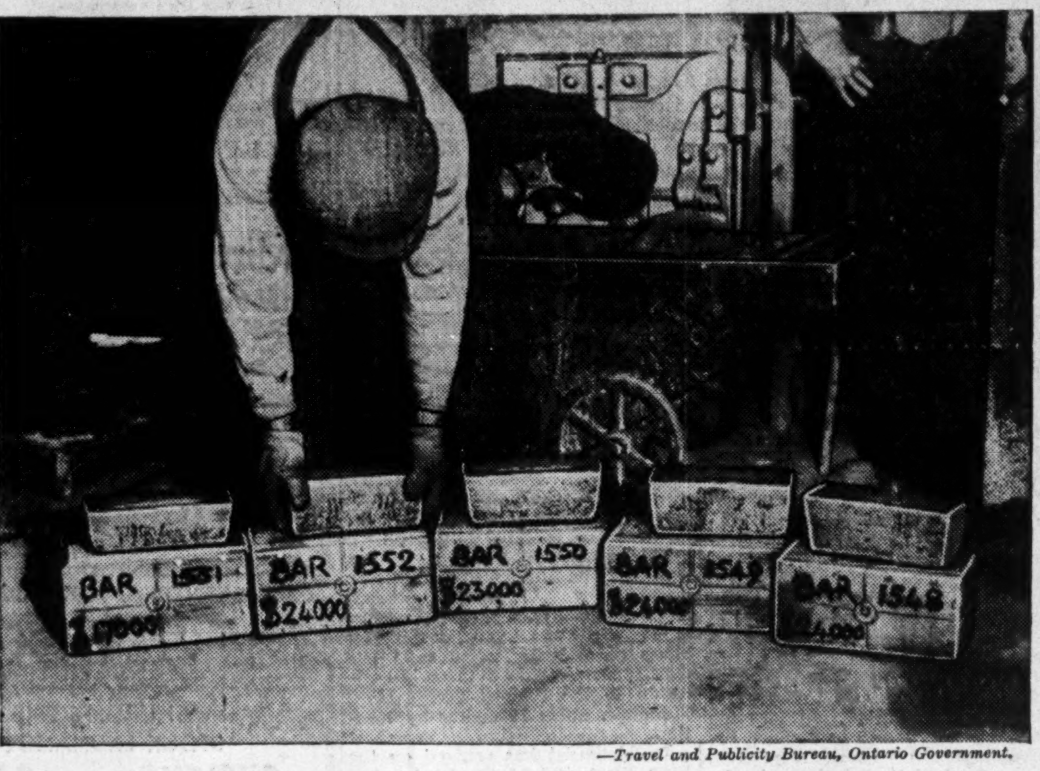
Picobac

GROWN IN SUNNY, SOUTHERN ONTARIO

What Does a Gold Brick Look Like?



—*Travel and Publicity Bureau, Ontario Government.*

Here are five of them, total value $112,000, result of a week's clean-up at the refinery of the Hollinger Consolidated Mine at Timmins. The little fellow on the left is only worth $17,000, and would fit into your hip pocket.

Ottawa Money For Aberhart Now Unlikely

Default of First Province in Canada Is Imminent

SHOWDOWN COMING

From Our Own Correspondent

OTTAWA.—Developments at Ottawa presage a showdown between the Dominion and Alberta governments within a week. It is practically certain that federal assistance in meeting Alberta's $3,200,000 debt maturity April 1 will not be given. The first default of a province, therefore, is imminent.

The past three months have seen sudden shifts in Dominion policy and, until the event occurs, there is always a chance of a change of heart. This time, however, the die seems to be cast: the present policy is much broader than its predecessors.

Provinces Not Unanimous

As indicated in the Commons by Hon. Ernest Lapointe, minister of justice, the Loan Council constitutional amendment will not be proceeded with in the immediate future. Apparently there is a strong feeling in cabinet circles that the provinces are not in favor of this constitutional amendment. The policy envisaged is based upon the cooperation of the provinces. If they are opposed to the Loan Council, Premier Aberhart has so declared himself, it is obviously useless to proceed. The Dominion government has never proposed to force such a policy upon provincial governments.

This being the case, it is understood the government has reverted to its original policy of withdrawing from provincial commitments. The cabinet never has subscribed to the theory that the national credit is synonymous with provincial credit. One of the first decisions reached by the King government last October was that the national interest demanded the separation of the two.

Open Way Out

Subsequently the Loan Council plan, purely voluntary on the part of the provinces, was formulated as a way of honorable retirement for Ottawa. If the provinces refuse it, the Dominion will feel compelled to revert to the original attitude.

The only development it is believed, which can bring Ottawa assistance to any province is a request for the Loan Council and a pledge to come into it when constituted. Such action would entail a complete about face on the part of Premier Aberhart and hence the widespread belief that default of that province is imminent.

British Columbia has a maturity of $3,500,000 on May 15 and the Pattullo government has declared opposition to the Loan Council plan. This places the coast province in precisely the same position as Alberta, with one important difference.

Two Courses Open

The legislation indicates indirectly but clearly two methods of dealing with the provinces. There is the Loan Council provision covered by the phrase which declares that the Dominion shall be empowered to condition its guarantees as it sees fit. The conditions referred to, of course, are the Loan Council checks and controls on the borrowings of a province after its debt has been converted under Dominion Guarantee. A middle course is indicated, also, in the permission granted to the Dominion to guarantee provincial securities provided provincial revenues are specifically earmarked to service the interest charges. In this event, a Loan Council might not be deemed necessary. The need of a constitutional amendment covering the Loan Council has frequently been explained. The need is equally great when it comes to the earmarking of provincial revenues. If all or a substantial part of the debt of a province is to be converted, a Loan Council would be essential. The interest charges would greatly exceed Ottawa's subsidy to the province and any earmarking of local revenue would have to meet the difficulty of local financial control.

No Council in Small Loans

Where a province desires only a small guarantee—to cover, for example, immediate maturities — it would be possible to extend this guarantee without the safeguard of a Loan Council because the carrying charge would be less than the annual subsidy and the Dominion would be able, if necessary, to protect itself out of its own moneys. The interest could be deducted from the subsidy.

But the obligation to pay the subsidy is a constitutional one and no more agreement, without amendment of the B.N.A. Act, could effect it.

This alternative course of procedure seems explicit in the language of the resolution and may offer a partial escape from the present impasse. Alberta so far has stood out against any Dominion control. British Columbia has expressed a willingness to earmark revenues.

As a means of saving the western provinces from default, the Loan Council and related legislation is now being scarcely mentioned. Alberta and British Columbia will have none of the major policy and the former province none of either. Saskatchewan has not had recourse to Ottawa for aid in meeting debt maturities for several years. Manitoba has no debt problem to face until 1939.

A policy to withdraw Dominion aid, save on request of a province for a Loan Council, will affect, immediately, only Alberta and British Columbia. The Dominion, it is learned, has decided to abstain from assistance, failing a request along the lines mentioned, and it proposes to adhere to this decision regardless of consequences. Therefore, the Loan Council policy is now being referred to chiefly as a method of salvaging the credit of some of the provinces after they have had their fill of repudiation and default. In every case their choice to repudiate will be deliberate, not involuntary. At any time they can bring the Dominion to their succor by accepting the terms of the pending legislation.

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Municipal Finances

Calgary had a deficit of $51,619 in general revenue account in 1935. During the year there was a further weakening of the city's current position. At the end of 1935, excess of revenue liabilities over revenue assets was $839,105, an increase of $473,423 over the previous year. Net capital debt, however, was reduced $995,839 to a total of $14,428,323.

* * *

Regina reports a reduction of $309,935 in assessment for 1936 to $42,170,065. Reason for the lower assessment on land and buildings is the completion of the re-survey commenced last year, requiring certain adjustments.

* * *

Dartmouth, N.S., has increased its 1936 tax rate to $3.60 from $3.55 in 1935. Expenditures are estimated at about the same as in 1935.

* * *

Jonquiere School Corporation, P.Q., is paying debenture interest due Feb. 1 and March 1, 1936.

* * *

Halifax County has struck a tax rate of $2.70 for 1936, an increase of 10 cents over 1935. Expenditure for the year is estimated at $152,384, an increase of $6,000 over last year. Increased expenditure is entirely attributed to uncontrolled items such as social service and hospital costs.

* * *

Montreal has adopted its 1936-37 budget calling for an expenditure of $48,346,523. A rider attached to the budget estimates, however, that an additional $2 millions will be required either in new taxes or loans from the province of Quebec estimates having been pared below normal in order to balance the budget.

* * *

Windsor has given final approval to the 40-mill tax rate struck by the finance commission. Total expenditures for the year are estimated at $3,150,000.

* * *

Point Edward, Ont., has set its 1936 tax rate at 51.9 mills, compared with 52 mills in 1935. Reduction in the tax rate was made possible by drastic paring of expenditures. Estimates for the year total $29,705.

* * *

East York Twp. has tentatively approved a general tax rate of 34.3 mills for 1936, an increase of 1.5 mills over 1935. The increase is attributed to a reduction in provincial school grants and an increase in the county rate. The budget has yet to be approved by the Ontario Department of Municipal Affairs.

* * *

Westmount, P.Q., reports a surplus of $4,136 for 1935, compared against a deficit of $31,754 in 1934. Total revenue for the year was $1,199,913 as against expenditures of $1,195,777.

* * *

Michel of Mistassini School Corporation, P.Q. is paying interest coupons on its debenture debt dated August 1, 1934, and Feb. 1, 1935.

* * *

Halifax has decided to call for tenders for a 3½ per cent refunding loan of $309,000. Proceeds of the loan will be used to meet the 6 per cent loan falling due May 2, 1937. Reason for calling for tenders at this time is the attractive prices for bonds.

* * *

Midland, Ont., reduced its bank loans during 1935 from $90,000 to $50,548. Total amount of debenture debt due and unpaid at the end of 1935 was $147,760 in principal and $97,092 in interest. Outstanding debenture debt amounts to $1,146,416.

* * *

Riverside, Ont., may have a 49 mill rate in 1936 as compared with 40 mills in 1935. The estimate of 49 mills is based on a budget submitted by the Ontario Department of Municipal Affairs.

* * *

Edmonton has tentatively struck the 1936 tax rate at 55 mills, the same as last year. This rate will result in a large deficit so that commissioners are still exploring possibilities of making revenue at least approximate estimated expenditures.

* * *

Winnipeg has been authorized to sell a debenture issue of $1.1 million to fund a portion of the city's 1934 relief costs. Difficulties are being encountered by the civic administration in drawing up the 1936 budget. Mass dismissal of 1,500 civic employees and dissolution of their pension scheme to absolve the city from any responsibility of placing a lump sum of $1.4 millions in the fund to make it actuarially sound, has been suggested. Court action to force the city to make the payment has been launched by two employees.

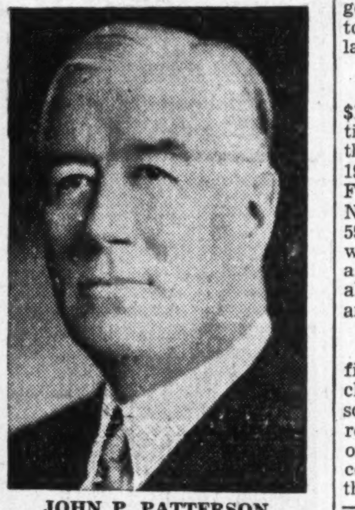
* * *

Cranbrook, B.C., had a surplus of $1,725 in 1935. Current tax collections amounted to 81.6 per cent of the levy. Tax arrears at the end of 1935 totalled 35 per cent of the levy. Floating debt is shown at $24,676. Net debenture debt amounts to $334,597. Both of the city's utilities, the water and electric light system, had a profit of over $13,000 in 1935 after all charges, including depreciation and debenture payments.

* * *

Richmond Twp., B.C. reports a deficit of $22,317 for 1935. This is exclusive of a deficit of $2,302 in the school account. Collections of current taxes amounted to 80.1 per cent of the levy, compared with 79 per cent in 1934. Net debenture debt at the end of 1935 amounted to $951,342.

Marks Anniversary



JOHN P. PATTERSON

Head of Norris-Patterson Limited, advertising agency, who celebrated his 25th anniversary with the firm, March 24. Mr. Patterson has "grown up" with Canadian advertising, since his first experience was with the advertising of the Toronto Mail and Empire in the early nineties.

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B. C. Promises Municipalities Financial Help

Extent of Aid to Municipalities Depends on Ottawa

TALK DEBT REFUND

From Our Own Correspondent

VANCOUVER.—British Columbia municipalities have been promised financial relief by Premier Pattullo, but the extent of it will not be known until the provincial government has reached a more definite understanding with Ottawa regarding refunding, taxation and other issues.

As one alternative to increased provincial subsidies, a delegation of municipal leaders has suggested the province take over financing of police, education and unemployment.

Refunding of both provincial and municipal debts at a lower rate of interest is regarded as necessary by provincial and civic authorities, but Hon. John Hart, minister of finance, believes such refunding should be done according to a programme common to all western provinces.

Mayor G. G. McGeer, M.P., of Vancouver, speaking for a delegation of municipal representatives, told the provincial authorities "all are now agreed that it is within the constitutional powers of the Dominion government to relieve the situation.

Endorses Aberhart's Action

"If Ottawa will not come to the assistance of the western provinces and western cities, then it will be up to the western provinces to exercise whatever powers they possess, under the constitution, to meet the situation in their own way," said Mayor McGeer. "Premier Aberhart has moved in the right direction by exercising constitutionally the right and privilege of a provincial government to protect the property and civil rights of the people."

Vancouver's Deficit

Meanwhile, the Vancouver city council, providing for partial restoration of civic salaries, has adopted a civic budget with a shortage, apart from sinking fund installments, of $1,740,240. The total gap between estimated revenue and expenditure with all fixed charges included is $2,232,134.

Ontario Validating New Hydro Contracts

Bill No. 98 of the Ontario legislature is "An Act to validate certain contracts entered into by the Hydro-Electric Power Commission of Ontario and certain companies." It deals with new contracts between the Hydro and Gatineau Power Co. and Maclaren-Quebec Power Co.

Passage of the bill to validate the new contracts is largely a formality. The contracts, it is understood, were authorized by order-in-council several weeks ago.

McGeer Warring On Gas Stations

From Our Own Correspondent

VANCOUVER.—Whether it will exercise such authority even if granted, the city council is asking the legislature for a charter amendment to permit the city to restrict establishment of gasoline stations. The city also asks for authority to engage in the gasoline business itself.

Mayor McGeer intimated to the House the city would like to have this power to hold over the heads of the oil companies regardless of whether the city actually intended to enter into the gas business immediately. He declared the city had been paying too much for gasoline and that action should be taken to force down the price. Most Vancouver gasoline stations are now charging twenty-nine cents a gallon.

Asks Co-ordination In Que. Taxation

Municipal Exemptions Seen as Absurd, Petty System

The fact that a Quebec town is applying to the 1936 Legislature for permission to levy a tax of $10 per head on every person coming into the town for employment is taken by "The Printed Word" to indicate the absurdities of the system in that province, whereby something over 100 municipalities have been granted special powers by the Legislature for taxation and similar purposes.

"Quebec," it points out, "is largely a province subdivided into petty governments, each seeking to prevent inter-municipal trade. There are several which are allowed to levy special taxes against companies whose head offices are outside their municipalities, if they would do business inside. There are others, such as Montreal, which levy special taxes against chain stores.

"Nearly every business which has got beyond the single-employee stage finds itself the object of attack at some stage or at some place. There is need for a return to co-ordination of municipal legislation that existed before the complaisant members of the Legislature began to make exceptions."

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BACHELOR

No Foolin'- - - -

Say, I was reading not so long ago about a plan to reform the calendar—equalize the quarters, eliminate the 29th of February and so on . . . I don't know much about such things, but it struck me as a pretty good plan. If it had just included a way of eliminating April Fool's Day, I'd say it was perfect . . .

Now, don't run away with the idea that I have no sense of humour. I like a good laugh as much as anyone, but the hoary old practical jokes perpetrated in the name of humour on April Fool's Day never appealed to me much . . . A good story, now, told in pleasant company, with, maybe, something to drink at your elbow and a good cigar to top it off—that's something! And if the cigar happens to be a Bachelor, you'll agree that, no foolin':

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